

6

5899

INDIAN CITIZEN SERIES.

THE PERMANENT SETTLEMENT IN BENGAL.

BY

S. C. RAY, M.A.,
Asst. Professor of Economics,
CALCUTTA UNIVERSITY.

PUBLISHED BY
RAI M. C. SARKAR BAHADUR & SONS,
Publishers & Booksellers,
75/1/1, Harrison Road, Calcutta.

To be also had of—SIVADAS MUKERJI,
36-38, Amherst Street, Calcutta ;
DAS GUPTA & CO., 54/3, College Street ; and other principal
Booksellers of Calcutta.

1915.

(All rights reserved).



Price Re. 1/- only.

PRINTED BY
G. C. KUNDU,
AT THE UNIVERSAL PRESS,
RAMKRISHNAPUR GHAT ROAD, HOWRAH.

R M I C LIBRARY	
Acc. No.	58
Class No.	333
Author	
Editor	
Trans.	
Pub.	
Bk. Card	
Checked	OK

PREFACE.

I was requested by Prof. Panchanandas Mukherjee to contribute a little book on the Permanent Settlement in Bengal to the series of publications on Indian subjects which he has undertaken to edit. The limits assigned to me were too narrow to do justice to this vast subject in all its bearings and developments; but I have endeavoured in the book which is herewith presented to the student to make the best possible use of the small compass available to me to deal with its broadest features. At the same time, the most controversial points—*viz.*, the merits and demerits of the settlement, the question whether land revenue is rent or tax, the question whether the imposition of a cess on land for local purposes infringes the pledges of 1793—have each received its share of treatment, necessarily brief though it is. My principal object has been to bring out the underlying principles and to clear the ground for an impartial and scientific discussion of the main debatable points. The appendices to the book contain extracts from certain classic official documents, such as the despatch of the Court of Directors of 1792 sanctioning Lord Cornwallis's measure, the despatch from Sir Charles Wood of 1862, the minutes of the leaders of two opposite schools regarding a proposal for the extension of the Permanent Settlement throughout

India in 1862, &c. The student will find in these papers an exposition of the views of the authors of the settlement as well as those of distinguished Indian administrators of a later generation. He is expected to analyse the various arguments, and to discover for himself if they fit in with the present conditions of the country; and, if they do not, to inquire about the reason. It was my intention to incorporate in the appendices extracts from other valuable and interesting documents—*e. g.* minutes of Warren Hastings, Francis, Cornwallis, Shore, Colebrooke, Holt Mackenzie, of earlier days, and of Mangles, Trevelyan, Lawrence, Money, Drummond and others of later days as well as from other official literature on the subject. But pressure on space has prevented me from carrying out my intention. All those have, therefore, to be reserved for a later and more ambitious publication.

DURBHANGA BUILDING,)

July 1st, 1915. }

S C. RAY.

CONTENTS.

—:O:—

SECTION.	PAGE.
1. Introductory	1
2. The Rights of Zemindars and Ryots in the soil before 1793	3
3. The Rights of Zemindars and Ryots in the soil after 1793	5
4. Steps leading to the Permanent Settlement of 1793	7
5. Objects of the Permanent Settlement	13
6. Expectations and Disappointments of the Permanent Settlement	15
7. The Financial Results of the Permanent Settlement	20
8. Mistakes of the authors of the Permanent Settlement	21
9. Arguments for and against the Permanent Settlement	24
10. Private Property in Land	27
11. Legality of the imposition of Cesses under the Permanent Settlement Regulation	30
12. Is Land Revenue Tax or Rent	35

APPENDIX	A.—The Court of Director's Despatch, 1792 ...	41
„	B.—Regulation I of 1793	71
„	C.—Extracts from Colonel Baird Smith's Report, 1861	83
„	D.—Muir's Minute, 1861	91
„	E.—Sir John Lawrence's Minute	104
„	F.—Extracts from Sir Charles Wood's Despatch, 1862	111

THE PERMANENT SETTLEMENT IN BENGAL.

§ 1. Introductory.

(The best and most successful method of administering the land revenue has ever been the greatest care of the Hindu, Mahomedan and European rulers of India, for not only is land revenue a great financial resource of the state, but it affects the daily life of the mass of the Indian population. Very little, however, is known of the system of land administration in the pre-British days. It appears, however, that the revenue was collected for the State, by zemindars (or collectors of rent) by landlords (or feudal barons), by petty collectors, by farmers, by middlemen &c. This heterogeneous system arose in the following way.)

In the typical early village community the King was represented by a headman who was his agent for the collection of rent which was then paid in kind. The realisation of rent from village to village in grain was a task of great difficulty and magnitude. This fact, combined with the accession of

new territories, led to the creation of another class of influential persons—intermediate between the king and the headman—who were greatly useful to the former for the pecuniary and political assistance which they rendered him from time to time. These persons were not generally paid in cash but by means of grants of territory within which they wielded immense police and executive powers besides the powers of revenue officers. The revenue derived from this assigned territory, after deducting the share of the state as the sovereign, was appropriated for the maintenance of the position and dignity of these officers as chiefs or magnates. These were the old barons, or aristocrats. The Maharaja of Natore, the Raja of Krishnagar are instances.

There was another class of persons to whom *sauwads* conferring lands were granted under the authority of the sovereign. These persons were mostly court favourites, (*i.e.*, mo-sahibs or buffoons) officials, and persons distinguished for religion or learning. But as most of these persons were either attached to Court or were busy with state work, they were unable to manage the lands themselves, which were accordingly let out to farmers or contractors who undertook to collect the rent for them on a moderate commission. These farmers agreed to pay a fixed sum to their principals, but being outsiders, they had no permanent interest in the improvement of the lands, nor any sympathy with the tenants. The consequence was that they squeezed as much as they could out of them to increase their profits.

The third class were the zemindars who collected rent for the state. Their rights to collect the rents were also hereditary during the pleasure of the sovereign and they were naturally anxious to look to the happiness and welfare of the tenants, but they would lose their hereditary rights by incurring the displeasure of the sovereign.

Besides these three classes of rent collectors, there were petty tenure-holders, temporary collectors, &c., possessing some degree of local influence who also collected rents from the ryots.

All these classes of people were merged in the single class called "*zemindars*" by the Permanent Settlement which declared them to be proprietors of the soil.

§ 2. The rights of Zemindars and ryots in the soil before 1793.

The rights of the ryots before the Permanent Settlement were not wholly uncertain and indefinite. Under the Moghal Government the principle of land revenue administration was that no ryot could be dispossessed of his hereditary holding so long as he paid his rent. The rent was not fixed arbitrarily by the zemindar but was fixed by the king himself, or under his direct authority according to the customary rates in the locality. Thus the main features of the ryots' rights were permanency of tenure (subject, of course, to regular payment of rent) and fixity of rent by the

sovereign authority itself. These two safeguards protected the ryot against arbitrary eviction by the zemindar and arbitrary enhancement of rent. The zemindars, on the other hand, had no property in the soil before the Permanent Settlement and whatever rights they possessed were derived either from sanads granted by the sovereign or from custom. Both these rights had acquired a hereditary character and were indistinguishable from rights of proprietorship. From these hereditary rights naturally followed the rights of sale, mortgage or transfer which acquired such force and sanctity as time went on that even the sovereign found it difficult to deprive the zemindar of the succession or to alter it so long as there were legal heirs. These rights carried with them great responsibility and considerable jurisdiction, which were the source of great power, influence and social position. It is clear, also, that in return for these powers and privileges, the zemindar was held responsible for the good conduct of every individual who resided in his estate and was under an obligation to preserve the peace of the country, to protect the country from calamities of season, and to lend his services and resources for the defence of the state against internal rebellion or external aggression. He had no power to fix or alter the revenue demand, nor to alienate lands from government assessment without the sanction of the government which retained the right to regulate rents, to investigate causes of increase or decrease of assessment, and to resume alienated lands. Lastly he was under an obli-

gation to discharge the government dues on penalty of losing his property and rights.

The rights of the zemindars, as thus defined, though hereditary, were limited ; and, as they depended upon the favour of the ruling power, they were enjoyable during the pleasure of the sovereign. But, in practice, the sovereign rarely exercised the power of divesting the zemindar of his hereditary rights except in cases of extreme necessity.

§ 3. The rights of zemindars and ryots in the soil after 1793.

The Permanent Settlement declared the zemindars to be proprietors of the soil. This was merely a continuation and affirmation, in solemn and public language, of the rights they had hitherto enjoyed by custom. The only new and substantial privilege conferred upon them was that these hereditary rights were no longer to be precarious depending on the will of the sovereign, but were to be real proprietary rights in the sense in which they are commonly understood, subject to the payment of a tax to the sovereign authority, the State.

Unlike the rights of the zemindars, the rights of the ryots were not definitely settled by the Permanent Settlement, nor were the relations between them clearly defined. The only safeguard that was provided in the Regulation was as follows :—

“It being the duty of the Ruling power to protect all classes of people and more particularly

those, who, from their situation, are most helpless, the Governor General in Council will, whenever he may deem proper, enact such Regulations as he may think necessary for the protection and welfare of the dependent taluqdars, ryots and other cultivators of the soil.”*

Although the position of the ryots was not definitely settled, they relied on the same ancient rights as they and their forefathers enjoyed before the Permanent Settlement, namely, the right to hold land so long they paid their rent. This was something like a customary right of proprietorship, similar to that enjoyed by the ryots in the ryotwari provinces in the present day. The Permanent Settlement having, however, conferred the absolute proprietary right on the zemindars, the proprietary right claimed by the ryots by custom, was naturally extinguished. Thus, the ryots, who, before the Permanent Settlement, held their lands as permanent ryots subject to the regular payment of rent to Government, now held only derivative rights, and were reduced after the

* Section 8 of Regulation I of 1793. This section is apparently based upon the following instructions from the Court of Directors conveyed to the Governor General in their despatch of the 19th September, 1792:—

“While we confirmed to the land-holders the possession of the districts which they then held, and subject to the rent then settled, and while we disclaimed any interference with respect to the situation of the ryots or the sums paid by them, with any view to an addition of revenue to ourselves, we expressly reserved the right, which clearly belonged to us as sovereigns, of interposing our authority, in making from time to time all such Regulations as might be necessary to prevent the ryots being improperly disturbed in their possessions or loaded with unwarrantable exactions.”

Permanent Settlement to the position of tenants-at-will and were exposed to the arbitrary exactions of the zemindars and were liable to ejectment from their holdings if they resisted them. The zemindars took advantage of their position conferred upon them by the Permanent Settlement to harass and oppress the ryots ; and the Government of that day, strange to say, further strengthened their hands by investing them by a Regulation passed six years later, with unrestricted powers over the ryots to enable them to realise their rents with facility. These powers were so grossly abused that the position of the ryots became extremely helpless and precarious, and the government, realising their mistake and the gravity of the situation, passed two Acts—one in 1859, another in 1885---which not only placed the relation of the two classes on a satisfactory footing but greatly improved the position of the ryots.

§ 4. Steps leading to the Permanent Settlement of 1793.

During the Mahomedan period the amount of land revenue was fixed direct by the government officers on the actual produce of the lands, which was divided between the state and the cultivators in certain fixed proportions. The shares varied between lands previously reclaimed and requiring no special labour and lands recently reclaimed and requiring unusual attention and labour. When they were fully settled and under cultivation, the shares of the government and cultivators were in the proportion

of 3 : 2. The government paid out of this share a fixed sum to the zemindar or revenue-collector and the village officers. The former's share did in no case exceed one-tenth of the government share, or three-fiftieths of the whole produce. This system of division of crops had the great merit of elasticity, for it gave advantage both to the state and the subjects from increase of cultivation, while the *rate* remained fixed and invariable. But it involved intricate and detailed accounts, the maintenance of expensive establishments, and led to acts of fraudulent concealment of crops, exactions on the part of the revenue collectors, collusion between the latter and the cultivators, and restrictions on cultivation. For these reasons, the assessments proved, in practice, to be unequal, the collections were fitful and fluctuating and the system was difficult of management. During the period that intervened between the Dewani (1765) and the Permanent Settlement (1793) the assessment was fixed on vague and uncertain data with the inevitable consequence that, as before, it was singularly fluctuating. It was sometimes so burdensome that large and liberal remissions had to be allowed, and at others it was so light that it was insufficient to meet the demands of government. The government was unable to determine the fair limit of assessment and it had accordingly to adapt the machinery of administration to whatever revenue it could raise without difficulty or oppression. Owing to this insecurity of revenue it was decided in 1772 to let out to the highest bidder a large part of the

lands to farmers who agreed under a contract to pay a certain fixed amount to government. But they were disappointed to find that the estimates on which the farming leases were based were fallacious, and they complained of their inability to discharge the state demand. The government was accordingly obliged to reduce it rather than force them into acts of coercion and oppression. There were other glaring imperfections of the farming system. The farmers granted *pottas* or written instruments of lease to the ryots, but the terms of these documents, on which alone the latter could legally rely, were indefinite, as they specified neither the quantity of land held by them nor the rates of rent. The accounts which formed the basis of a correct demand were intricate, voluminous, obscure and capable of easy falsification. This uncertainty in the terms of agreement and the state of the accounts-current between the two parties led to frequent conflicts and disputes between two important classes of the community from which the country wanted rest. The state of the Company's finances, the condition of the country, which had just been left devoid of all resources after the recent famine, and the consequent dislocation of trade, combined to aggravate the abuses. The officers of government were unable to check these abuses, because if they had attempted to do so it would have interfered with the terms of the agreements with the farmers who were responsible for the government dues. The farming system was accordingly discredited and the zemindari system was introduced at this period. But

the zemindars were uncertain of their profits as they had no accurate knowledge of the resources of the country and the economic condition of the people; and they accordingly adopted the expedient of subletting portions of their estates to others who again sublet them to other lessees in order that each lessor might enjoy security of his share of the profits. The result of this sub-infeudation was that the cultivators had to pay, besides the government demand, the profits of a series of middlemen and these profits were levied not in the shape of extra assessment but of arbitrary and additional cesses, called *Abwabs*. These *abwabs* varied according to the demands and necessities of the zemindars and to the ability of the ryots to pay them and were not fixed on any equitable principles.

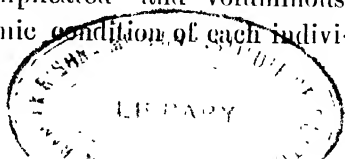
The farming system drained the country, and squeezed the ryots as the farmers had no abiding interest in their prosperity; the zemindari system provided no guarantee for the realisation of the full dues, as long as the revenue was liable to enhancement at the pleasure of government. The farmers exploited the the country to their best advantage; the zemindars, deprived of their lands, oppressed with debts and on the brink of poverty, were sullen and discontented.

A thorough reform of the above system of assessment—if system it might be called—was attempted by the British Government by superseding it by a system of “settlements” by which the amount of of *revenue* payable to the state and the *person* respon-

sible for its regular and punctual payment were to be definitely fixed. The policy of the British government has always been to encourage the growth or creation of proprietary right in the land subject to the regular realisation of revenue. This is illustrated not only conspicuously in the zemindari settlement of Bengal, but in a lesser degree in the ryotwari settlement of Bombay and Madras where the cultivators have been conceded a right approximating to that of peasant proprietorship. This right had long been enjoyed by the ryots ever since the Moghal government, but based as it was on custom and not on written agreements it was gradually being obscured or altogether annihilated in the confusion that followed its disintegration.

There were thus three systems of assessment and collection prevalent before the Permanent Settlement: (1) the ryotwari or the *khus* system ; (2) the farming or, the contract, system ; and (3) the *zemindari* system.

(1) Under the ryotwari or *khus* system, the revenue was collected from the ryots by direct state agency. This system depends for its success on a thorough and minute knowledge of the country, its resources, the quality and capabilities of the land, the nature of the produce, the prevailing rates of rent, as well as great capacity and patience on the part of the revenue staff to examine minutely the accounts (which were often complicated and voluminous) and determine the economic condition of each individual rent-payer.



(2) The farming system under which the assessment and collection were leased out had the undoubted advantage of simplicity, but when the revenue officers of government were ignorant of local knowledge, it had to be concluded between parties of whom one had no knowledge of details; and no precision nor perfection could therefore be claimed for the system. Moreover these farmers were, as stated before, solicitous of their own profits and were indifferent to the welfare of the ryots and to the improvement of the land.

(3) Under the *zemindari* system, the rent was collected by zemindars who were local men of considerable social status and influence and who had acquired something like a prescriptive right to collect revenue for the state.

Judged by the test of experience of the last 120 years, the system which possesses all the merits that could possibly be claimed for it is, of course, the ryotwari system with a moderate assessment, a long term and a proprietary right belonging to the tenant. But to evolve a ryotwari system in those days—when the extent, population, resources or capabilities of land were unknown, when accurate information regarding the condition of the people was not available, when the revenue officers of government were inexperienced and therefore wholly dependent upon unreliable and inefficient Indian subordinates—was an impossible task. The *khas* system was accordingly abandoned as premature and impracticable. The *farming* system had already been condemned as op-

pressive to the ryots, who were left at the mercy of rapacious and unsympathetic farmers. There then remained the *zemindari* system which was chosen by Lord Cornwallis not only because it possessed the great merit of simplicity combined with security of revenue, but it aimed at securing the co-operation of an influential class of people who had already acquired a hereditary right in the collection of revenue. It would, he thought, be acting along the line of least resistance to adopt the *zemindari* system, because it would conserve their existing rights and privileges without any serious disturbance to the social order.

§ 3. **Objects of the Permanent Settlement.**

The objects which Lord Cornwallis had in view in making the settlement of land revenue permanent with the *zemindars* may be classified under four divisions: political, social, economic and financial.

(1) *Political*:—It was considered expedient to attach a considerable body of influential persons to government, to conciliate them, and to confer upon them a certain amount of social position and status by giving them a valuable stake in the country. The idea was to enlist their aid and co-operation in pacifying the country which was then in a troubled state, and in securing its future tranquillity, and to count upon valuable advice in adjusting the relations between the rulers and the ruled at a time when the former had scarcely established a settled government and a reputation for a just and sympathetic administration. This idea was carried out by creating perma-

ment, valuable and real (*i.e.*, proprietary) rights in the land, by vesting those rights in the zemindars, by giving them all facilities to exercise them to the fullest extent, and by impressing upon the people the great and solemn fact that they received from the British Government what they never enjoyed under any other government before. It was believed that the Permanent Settlement would inspire confidence in the character of the government which wanted a revenue system not for the sake of exploitation but solely for the ends of civilised administration and in a stable instead of a variable system of assessment which it was meant to supersede. In a zemindari province Lord Cornwallis probably thought that the government could impress its sovereignty on the heart of the people by standing as the overlord of the zemindars. In a ryotwari province, on the other hand, the highest position which the Government could occupy was that of a paternal ruler.

(2) *Social* :—The principal social object was to restore peace and order to the country which had been rent asunder by disturbances and disorder, to protect the landholders from arbitrary and oppressive demands, to relieve the holders of small estates from the tyranny of the powerful zemindars, to reduce exactions, corruption, and the evasions by which the payments of just dues had been eluded, and to put an end to the harassments attending the collection of revenue *viz.*, attachment of crops, the restraint of person, the frequent distraint and sale of moveable property and other coercive and oppressive

expedients. The zemindars were being reduced to impecuniosity and the country was being impoverished. It was, therefore, considered desirable in the interest of social welfare to restore the former to their original position and the latter to a state possessing all the elements of future development.

(3) *Economic*:—The economic object was to ascertain and secure the rights of every individual, and, without impairing the authority or diminishing the revenue of Government, to secure to the people all the elements of prosperity. Lord Cornwallis hoped that the welfare of the country would be secured by allowing the cultivators to retain as much as possible of the fruits of their industry. In this way would wealth accumulate in their hands, the prosperity and welfare of the community would be assured, and the loss of revenue due to the Permanent Settlement would be compensated by the increase in the taxable capacity of the people.

(4) *Financial*:—The Company was embarrassed with heavy debts and was unable, owing to the instability of its great and only source of revenue, to meet the cost of administration, which was specially difficult in those days of confusion and unsettlement. The financial object of the Permanent Settlement was to give security to revenue for all future time by settling it permanently with the zemindars.

§ 6. **Expectations and disappointments of the Permanent Settlement.**

The benefits expected to result from the Permanent Settlement should not be confounded with the

benefits which the country enjoys at the present time ; first, because it is difficult to differentiate the latter from the benefits said certainly and inevitably to follow from that measure ; and, secondly because many financial measures have been introduced and many startling agencies and powerful influences have worked during the last century to effect something like an economic revolution in the country. The best and surest light to guide the observer of the twentieth century in forming a correct and unbiassed opinion of the real results of the Permanent Settlement is to ascertain from current facts whether the expectations on which the value and importance of the measure was mainly based, have been realised. When we speak of the evils and benefits of the Permanent Settlement, we must take care to obtain a clear perspective of Bengal in the latter part of the eighteenth and of Bengal in the beginning of the twentieth century in order to enable us to gauge and compare the results due to different causes. In the former period land was probably the only principal source of revenue, and it was imperatively necessary to safeguard that source.

Since that time, irrigation and railways, telegraphs and post office, trade, commerce and manufactures, have increased production and distribution of wealth to such an extent—that it is difficult to attribute all the benefits which the Bengal ryots at present enjoy to the Permanent Settlement rather than to these improvements. It is necessary however to analyse how far present-day facts justify the expectation

formed in 1793 of the benefits likely to result from the measure.

Lord Cornwallis expected that the zemindars created by him would evince a lively and practical interest in the progress and education of their tenants ; but his expectations have been falsified. The zemindars of the present day have got into the possession of the original estates by purchase or redemption of debt, and do not show the same sympathy for, and attachment to, their tenants as did the original zemindars, with whom the settlement was made. The society has thus lost a stable element which was expected greatly to influence and accelerate its progress. It was expected that the limitation of the government demand would limit the demands on the tenants. But the system of sub-infeudation which has been introduced since that time has not given the desired relief to the ryots, who have to pay for the profits of a large number of middlemen every one of whom successively leases his lands to a subordinate tenure holder at a profit. This profit is enjoyed by them without their contributing anything towards increased production.

It is also extremely doubtful if, according to the original expectations, the financial position of the ryots has improved in consequence of the limitation of the government demand. The tenure-holders superior to the actual cultivator have appropriated a large share of the increased wealth, expected to accrue in their hands as the result of improved cultivation, and have spent it on other objects than the

improvement of the condition of the ryots. They have also been permitted to enjoy the unique indulgence of exemption from income tax lest it would, contrary to the terms of the Permanent Settlement, be an addition to their *public* assessment, or lest they would shift it finally to the cultivators. Thus, the State has not only lost a large revenue but has missed one of its principal ends, *viz.*, the amelioration of the ryots through the means of the more fortunate members of society. As explained before, the accumulation of wealth has not always taken place in the hands of the ryots but of innumerable middlemen. The unfortunate, but inevitable, result of this misplaced wealth has been a dissipation and waste of capital which would have been of great benefit to the country if it had been allowed to fructify in more deserving hands.

The authors of the Permanent Settlement expected that a permanent assessment based upon the existing capabilities of the country contained within it the germs of a great productive principle. The possession of property, for instance, and the certain enjoyment of the benefits derivable from it was believed to awaken and stimulate industry, promote agriculture, extend cultivation, establish credit and increase the general wealth and prosperity of the country. These, it was contended, would compensate government for any permanent loss of land revenue. But it is an open question whether improvements in agriculture and industries, increase of credit and wealth which have taken place in provinces where a

different system prevails are not due to other economic influences than the Permanent Settlement. The material condition of a country depends on the personal element and not on any artificial economic stimulus. A country, where the people are energetic, enterprising, organized and educated, is bound to go ahead of another of which the people are lazy, illiterate, and unorganised. Artificial means may be necessary at the initial stage of the development of a nation ; but as a permanent device it is demoralising, enervating and futile.

The zemindars attempt to prove the increase of wealth of the community by reference to the rise in the price of lands. While admitting the partial correctness of this claim, it is indisputable that a large measure of this rise is owing more to state than to private improvements, namely irrigation, roads, railways etc. The part which private capital has played in the rise of the price of lands, is very slight. Neither have the zemindars employed any substantial part of their capital in the production of wealth by the encouragement of industries and manufactures. They, with a few exceptions have not proved themselves, as was expected, zealous patrons of arts, literature, and science, the interpreters between the rulers and the people, or the arbiters of social disputes—in short the unofficial judge and magistrate and the uncrowned king within their estates. They have failed to realise that their own interests are closely and permanently interwoven with the prosperity and comfort of

the ryots and the peaceful possession by them of their lands. They have failed to realise that the benefits of all improvements, progress and peace in their estates would ultimately reflect on them. And lastly, they have failed to discharge their obligations to the community from whom they derive their wealth, out of a sense of responsibility of their superior position as friends, guardians and sympathisers of the people.

§ 7. The Financial Results of the Permanent Settlement.

The financial results of the Permanent Settlement may be easily appraised by an illustration. It was probably never anticipated 120 years ago that the immense rise in prices due to improvements in communications and other agencies of production and distribution would affect the rental to such an enormous extent. If this had been realised, even the greatest apologist of that measure would have hesitated to sanction it. The actual financial results can be illustrated by official figures: The shares of the zemindars and of the government in the rental were in the rates of 1 : 9 at the time of the Permanent Settlement. As the government revenue in 1793 was nearly 360 lakhs, this represented nine-tenths of the total rental, which was therefore 400 lakhs. Now, the present rental is about 1600 lakhs, which is four-times the rental at the time of the Permanent Settlement. The Government revenue being now fixed at say 400 lakhs, a sum of 1200 lakhs is shared between the ryots, the tenure holders, zemin-

dars etc. It is remarkable that the system of sub-leases is capable of indefinitely increasing the rents payable by the ryots without increasing the Government demand of land revenue.

Most of the increase in rental may be attributed to rise in prices, for it may be taken as correct that prices have increased four-fold since 1793 ; and it is natural to suppose that the rental has increased in the same proportion for, the increase due to expansion of the area of cultivation has not, it is calculated, been very considerable.

; 8. Mistakes of the authors of the Permanent Settlement

It cannot be questioned that the Permanent Settlement was concluded in great haste and Lord Cornwallis and his advisors never looked far into the future. They held decidedly pessimistic views as to the potential capacity for improvement of the revenue officers of government, who, they thought, would remain as inefficient, ignorant and inexperienced as ever ; and they evidently forgot that a staff of officers might arise in future who would possess as high a capacity for administrative work and as great an amount of patience and energy for studying the detailed economic conditions of the country as could cope with the strenuous and responsible work necessitated by *khas* assessment. They thought that the knowledge and ignorance of the existing officers would ever remain defective, that the system was incapable of improve-

ment, that the confusion and disorder in the accounts would never be rectified—that—in short—the future would be a stereotyped copy of the present—whether it meant the future quality of officers, the future resources of the country, the future economic condition of the people, or the future character of government. They had, apparently, some difficulty in foreseeing a continually developing society and a progressive administration. They were obsessed with the idea of a stagnant society and a non-progressive government, and felt despondent of, or daunted with, the difficulties that beset them.

This estimate of the future was as fallacious as their confidence in the present. They thought that the taxable capacity of the people would increase by the accumulation of wealth consequent on the perpetual fixity of the revenue demand; but they never took into account the great fact that this capacity might as well increase by trade and industry. They did not realise that the accumulation of wealth in the hands of an unthrifty, illiterate and conservative people, such as the Bengal ryots then were (and to a great extent even now are) was not a sure guarantee for the judicious investment of that wealth in productive enterprises. But perhaps the greatest mistake was that the Permanent Settlement was concluded without undertaking a complete and accurate survey of the lands in the province, of their value and produce, of the state and extent of cultivation, of the nature of the prevalent tenures, and of the rights and interests of the government

and the people. The knowledge of the authors of the settlement on these points was singularly incomplete or defective. The resources of the country were estimated by conjecture or in some other arbitrary manner, and the assessments that were based on them were, in many cases, very unfair both to government and to the individuals concerned. It is a matter of regret that the interests of the government which are identical with the interests of the people, were not consulted equally with the latter. The potentialities of the vast proportion of uncultivated lands were entirely disregarded, and the extent of resumable lands was not carefully ascertained. It was estimated at the time that the area of waste lands, which were either included in the settlement with the zemindars or lying on the borders of their estates without a definition of their boundaries, covered nearly one-fourth of the whole province; possibly it was more. And although reclamation of these wastes was proceeding apace and cultivation was rapidly extending, the state was deprived of the pecuniary advantages of this reclamation which have accrued wholly to the landlords who have thus got the waste lands either free or at a nominal price. Without preferring to wait for correct and reliable statistics regarding area, population, economic resources etc. the government of Lord Cornwallis avoided the trouble, time and expense of acquiring them. It was believed to be impossible to gather accurate information through native officers whose assistance was considered to be indispensable; and

not only did Lord Cornwallis believe this to be impossible, but it was probably the prevailing view in those days to deprecate such surveys and valuations.*

It was, moreover, freely asserted in those days that surveys would not secure more ample and complete information than was already available; and that periodical assessments would raise insurmountable obstacles. These views indicate the immature and rudimentary stage of development of the Indian administration in that period and no measure involving large and permanent sacrifices of revenue should have been enacted at this stage in haste without exercising an exceptional amount of prudence and prevision.

§ 9. Arguments for and against the Permanent Settlement.

In the preceding pages it has been shown in what respects the Permanent Settlement is defective or advantageous. It may be convenient to state the most important of the arguments *seriatim*.

For:

(1) Instability of revenue and frequent settlements are said to harass the people, to affect the welfare of the country and discredit the character of the administration, because they are likely to produce suspicion in the minds of the people and have the appearance of subordinating all other considerations to temporary expediency.

* "We know nothing that we should more strongly deprecate than the undertaking of such surveys and valuations". (Letter from the Governor General to the Court of Directors dated the 17th July 1813).

(2) The Permanent Settlement tends to accumulate wealth in the hands of the people, by allowing the cultivators to retain, as much as possible, the fruits of their industry and thereby increase their credit and their taxable capacity.

(3) The Permanent Settlement has created an influential and loyal body of individuals, intermediate in position and power between the government and the people.

Against :

(1) It is said that the zemindars can introduce large-scale production in agriculture into their estates. But it must not be forgotten that this can only be effected at the expense of the existing rights of the tenants, who would, in that event, be reduced from their present position of occupancy tenants to that of agricultural labourers or serfs. It would be an economic and social blunder to surrender the rights of 80 per cent of the people absolutely to the zemindars.

(2) Men in Bengal regard the position of zemindars as one of special honour and prestige. They are accordingly more anxious to invest their capital in land than in industrial enterprises. The consequences are detrimental to the aspirations of many rising and enterprising young men of wealth and culture, who would be otherwise willing to engage in business. This is believed to be one of the causes of the lack of business enterprise among the Bengalis.

(3) Some maintain that a direct relation between government and the ryots is preferable to a direct relation between the latter and the zemindars; for, in the former case the government has better opportunities to come into touch with the daily life of the people, and learns to evince sympathy for them.

(4) Some say that periodical settlements induce the cultivators to have recourse to fraudulent artifices to reduce the area of cultivation just on the eve of a new settlement in order to avoid increase of assessment. It may, however, be argued that the ryots are, as well, at liberty to make the best use of the short period of settlement and put forth all their energies to improve the land and the nature of the cultivation in order to get as much out of the land as possible. This would serve as a great stimulus to increased production.

(5) The zemindars have been declared proprietors in land, not in consideration of any exceptional or political service but as a measure of financial expediency. The proprietorship is enjoyed by them without any advantage or benefit to the community commensurate with the immense sacrifice of public revenue. There is apparently no moral justification for the enjoyment by them, in fee-simple, of large estates—an arrangement under which they derive too much advantage out of the government's temporary difficulty.

(6) The pledges given at the Permanent Settlement have debarred government from taxing the zemindars to the same extent as owners of other

classes of property. They do not pay as much tax as they ought to pay. Besides, the rest of British India has to pay heavier taxes in consequence of the enjoyment by Bengal and Madras landlords of a large unearned increment since 1793.

(7) It is said that the Permanent Settlement inspires a feeling of proprietorship in the ryots, which makes him appreciate the reward for the labour and capital invested in the land. But such a feeling is not inherent in the Permanent Settlement alone ; for it is also an essential feature of the ryotwari settlement which gives the ryot a perfect sense of security in the occupation of his holding.

(8) The zemindars do not help the ryots during scarcity and famines in the same way, and on the same scale, as the government does in the ryotwari tracts ; and, if it is argued that it takes more from the ryots than is fair, it returns to them a substantial share of it in the shape of advances, remissions and suspensions of revenue, charitable doles etc. in times of stress and difficulty.

§ 10. Private property in land.

It is an accepted theory of politics that there can be no rights superior to the state, and that the absolute right of any individual is inconsistent with its sovereign character. Jevons, in his admirable little book on "State in its relation to labour," does not admit that there are any *abstract* rights, *absolute* principles, *indefeasible* rules, and *unalterable* laws in social matters, and that there is anything which is

eternal or inflexible. If such abstract rights existed which could not be invaded on occasions of supreme state necessity, we would deny to it its undoubted right to subordinate individual good and right to the good and right of the state. All rights are included in the state and are subject to its sovereignty. If individual rights had been superior to state rights, it would imply the sovereignty of the individual, which is absurd. Now, when we speak of property in land, we do not imply by the expression any abstract or inalienable right of the individual. It certainly implies the reward of his labour, thrift or abstinence; but such labour is not *personal* but *social*, for in a coherent and complicated society, the labour of one man cannot be dissociated from the labour of others. Wealth and property are created by the combined labour of the community and not by the labour of a single person. A man in an isolated state is unable to reap the fruits of his talent or capacity in the production of wealth which is only possible in a society which binds all the individuals in it in a coherent economic organisation. A man in a new or undeveloped country can no doubt claim possession of vast unclaimed areas; but he is powerless to get wealth out of those lands unless he is associated with his neighbours or with the rest of the world in the economic processes of production and distribution. The creation of wealth depends on society; and property is nothing more than the fruit of labour that is *social* or the means by which individuals who are capable of doing good to the State should be pro-

vided. Land, of all other properties, ought to be, held by the occupiers or users thereof as a trust for the benefit of the State, and individual or personal property in land should be condemned if it did not conduce to social good and develop in the possessor a sense of responsibility distinct from property in movable goods. It may be expedient to permit individuals to hold lands in the interest of social order; but when the supreme interests of the state demand it, it is undoubtedly justifiable for the state in the exercise of its sovereign powers to deprive individuals of their ownership, a compensation being given them for taking away their prescriptive rights.

Applying the above principles to the Permanent Settlement, one may be led to infer that the state exercised its sovereign right to confer property in land on a certain class of the community for the good of the community under certain circumstances; and under altered circumstances, the State can similarly exercise its sovereign right to take away such proprietary rights if the present or future good of the community demands it. In 1793, the State acted with certain political and social objects in view; conditions have vastly changed during the preceding 120 years, and it has now or at any future time, the indisputable right to act with different political or social objects conforming to the circumstances of the time.

§ 11. Legality of the imposition of cesses under the Permanent Settlement Regulation.

One of the most important questions which is closely associated with the Permanent Settlement is the claim made by the Bengal zemindars for exemption from every kind of tax on the faith of Art. VI of the Proclamation of 1793 which runs as follows :

“ The Governor General in Council trusts that the proprietors of land sensible of the benefits conferred upon them by the *public assessment* being fixed for ever will exert themselves in the cultivation of their lands under the certainty that they will enjoy exclusively the fruits of their own good management and industry and that no demand will ever be made upon them, or their heirs or successors by the present or any future Government, for an augmentation of the *public assessment in consequence of the improvement of their respective estates.*”

The zemindars base their claim for perpetual exemption from a general scheme of taxation imposed on lands for special purposes on the interpretation of the expression “ public assessment ” to mean and include taxation of every kind. The context however shows that it is limited to revenue payable by them to government in respect of their estates. The question assumed a practical and acute aspect in the year 1871 when the government of Bengal proposed to levy a cess for the purpose of constructing and maintaining roads and other means of communications in the most undeveloped tracts of the province. The cess was to be levied on *all* lands (includ-

ing mines, quarries and other immoveable property) in the shape of a percentage of land revenue, where land revenue was payable, and on the annual value of profit-earning and on the present value of non-profit-earning property, where land revenue was not payable. The cess was thus leviable on *all* lands whether they were subject to land revenue or not. Two important points therefore emerge from a consideration of this question: (1) that revenue-free estates were as much subject to the cess as the revenue-paying estates; (2) that the cess was an imposition in a general scheme of local taxation for special purposes. The zemindars might have a legitimate ground of complaint if the cess had been imposed on revenue-paying lands alone and the revenue-free lands had been exempted; but in a scheme under which all lands were treated alike for purposes of taxation, it would evidently have been unfair to differentiate between those who were supposed to be affected by the Permanent Settlement and those who were not. The question might be considered from another point of view, *viz.*, according as public assessment was a local or an imperial tax. A *local* tax is usually earmarked for application to *special* purposes, whereas an *imperial* tax is merged in the general taxation and is not set apart for a definite object but for general administrative purposes. An imperial tax may therefore appropriately be called "public assessment", and the clause in the Regulation of 1793 fixing a *public assessment* for ever, is more applicable to an *imperial*

than to a *local* tax. Doubts have, however, been expressed whether this conclusion is compatible with the terms of the Permanent Settlement. To whatever conclusion a strictly legal interpretation of the clause may lead, it is unquestionable that, on considerations of public welfare, local taxation for local improvements cannot be foregone for ever, if the responsibility of the state for the moral, material and intellectual welfare of the community is admitted. The local public requirements of a progressive community are almost unlimited, and local taxation to carry them out must keep pace with them. A limitation on local taxation means a stoppage of the natural development of public utilities. Now, if a local cess is justifiable in the interest of communal welfare, it is eminently unfair to tax one class of landholders at the expense of another. The arguments above are based on a distinction between local and imperial taxation. But on examining more closely into the matter it will be clear that the distinction is immaterial. There is no valid reason why the zemindars of Bengal should not pay imperial taxation—say the income tax—while the taluqdars of Oudh might be called upon to pay it. The conclusion seems to be rather in the contrary way; in other words, those whose contributions to the state in a particular direction are fixed and cannot be augmented, should be considered as fairly liable to pay increased contributions in a different direction. Fixity of assessment in one subject of taxation does not carry with it fixity of assessment in another; on the con-

trary, the assessments all round should be so adjusted as to their incidence as to place the Bengal zemindars on a level with the tax-payers of other provinces.

Apart from abstract reasoning based on a distinction between local and imperial taxation, the terms of Permanent Settlement clearly make the fixity of the land revenue conditional on improvements to be carried out by zemindars in their estates. The levy of local rates or cesses would not, *per se*, contravene the pledges of the Permanent Settlement *if* they were necessary to finance the cost of improvements in land. There were two alternatives; either the zemindars would improve the lands and be exempt for ever from further taxation, or, if the zemindars did not make them, the state would carry them out by means of taxes raised on those lands. The first alternative was a necessary corollary to the conferment of proprietary right in land on the zemindars; and what the Permanent Settlement intended was to provide them with the stimulus and the necessary means to improve their estates by fixing the land revenue and allowing them to enjoy the fruits of their good management and industry. The Permanent Settlement did not surrender the general right of the state to tax the land with the special object of improving it. If the state abrogated this right, it must necessarily abrogate with it the right to introduce improvements, unless they were voluntarily undertaken by the zemindars. It was not the intention of the Perma-

ment Settlement, as is manifest from the clause quoted above, that all public improvements, should either be stopped for ever, or should be undertaken at state expense leaving the zemindars to enjoy the unearned benefits. It imposed a certain obligation on the zemindars; and it would be right and proper that if they failed to discharge that obligation, it devolved on the state to perform it by means of funds raised from persons on whom the obligation primarily rested. It would only be fair to realise that the state acts, in the interest of the general public, with the same motives to augment its revenue, as a zemindar acts to increase his private income. Both are interested in a common property and in its improvements. But if the zemindar fails in his duty to improve the estates in which he has been given proprietary right by the state with a definite object, the state is unquestionably entitled to increase its resources for effecting measures of internal progress.

The general view we have been advocating might be defended on another ground. The Permanent Settlement does not touch upon the question of general taxation but merely establishes the proprietary right of the zemindar and defines the relation of the latter and government, the object being to put an end to an uncertain state of things and to replace it by a system of permanent property. Under the new order of things, the zemindar, as a proprietor, has to pay a fixed charge to government; but the terms of the Regu-

lation of 1793 do not show that the Bengal zemindar, of all others, should occupy a specially privileged position in a scheme of general taxation of all lands within the country. It seems paradoxical that the state has no right to tax property in land which it has itself created, while it is free to tax all other classes of property.

§ 12. Is Land Revenue tax or rent ?

The question whether land revenue in India is *rent* or *tax* has been very keenly and warmly debated. One Indian authority says that the distinction is merely a “*war of words*,” meaning as if the establishment of the one theory or the other depends on the physical force of the terms employed. Another distinguished Indian financier says that the view that the land revenue is *rent* and not *tax* is both correct and incorrect. Such statements and opinions do not convey any clear idea nor enunciate a definite principle, and must be set aside in discussing the question in an impartial and scientific spirit.

Professor Bastable defines *tax* as “a compulsory contribution of the wealth of a person or body of persons for the service of the public powers.” This contribution is paid out of the private property of the contributor, whether he wills it or not, to the authority which claims it by virtue of its *sovereign power* and not of its *proprietary right*.

A *rent*, or more properly *economic rent*, is defined to be the surplus produce of land which is left after remunerating the labour, the capital and the

business supervision employed on it. The remuneration of labour and capital is fixed at current or competitive rates of wages and interest, and it is also necessary that the cultivator should be rewarded for his supervision and management at the current rates, and should have something in addition for the maintenance of his family, for the training of his children and other necessary expenses.

Let us now apply these definitions to land revenue. Land revenue is *not rent*; because, although the wages of labour are fixed by competition, the interest on capital and the remuneration for supervision are not so determined. The former is arbitrarily charged by the village money-lender and the latter is liable to diminution or even ultimate extinction owing to the custom of the cultivator to adhere to his ancestral occupation and holding irrespective of the quality or productiveness of the land. Under the pressure of this custom he is unable to give up either his land, which has been cultivated for generations, in favour of better lands, or his agricultural occupation even if it does not pay. Social conditions accordingly mould rigidly the private economy of the cultivator, and under these circumstances the amount paid for the right of cultivation of his holding ceases to be economic rent, when the surplus disappears. The idea of rent carries with it the conception of voluntary payment by the lessee to the lessor, after satisfying the needs of the former. If the conditions of lease or agreement which are not determined by free competition, combined with the

force of custom and the economic subordination of the lessee to the lessor, prevent him from retaining a sufficient surplus for his needs, then such payment does not satisfy the characteristics of economic rent. On the other hand, there is an undoubted element of compulsion on the cultivator arising out of the custom to remain on his lands and in his occupation, in spite of economic pressure, and the government may be said almost to take advantage of this situation and levy a contribution which he is compelled to pay—a contribution which, unlike rent, is not determined by competition but by the will of the sovereign to which he is subject. The land revenue accordingly more nearly satisfies the tests of a *tax* than those of *rent*.

But the ultimate solution of the question depends on the question of ownership of the soil. If the state is the owner, the contribution by the cultivator for the use of his land partakes of the nature of *rent*; if, on the other hand, the state is not the owner, the contribution is of the nature of *tax*. The question therefore resolves itself into this: Is the state, or are the people, the owner of the soil?

To answer this question, we must go back to the ancient institutions as expounded by the Hindu and Mahomedan lawgivers. The former are divided in their opinion on this point. Some say that the *royal* property vested with the king, while *subordinate* or *usufructuary* property remained with the subject, who, by the bye, enjoyed rights of occupancy, pre-emption, grazing, cutting wood and grass, use of water courses, rights of way, and general rights to the

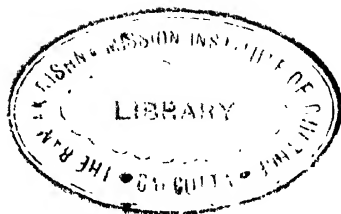
products of unclaimed waste lands. He had also right to open mines and quarries, and to sell, let, mortgage, devise or otherwise alienate his holding. In short, according to these writers, the husbandman, who is defined as the *owner* of the field, enjoyed all the rights except the right of property. This theory is somewhat far-fetched, and is irreconcilable with the state right of property in land. It is repudiated by those who hold that the King has no property in the soil, since the earth, like the sea and the air, was created by God for the support of living beings, his only duty being to protect his subjects. This is in harmony with the modern theory of state, which places protection of the subjects as the foremost of its functions and limits the rights of interference of the state with the factors of wealth production, which, of course, include land. The argument of some of the Hindu sages that the King cannot be held to be proprietor of the soil, because he cannot sell the land of one subject to another, seems to be conclusive, although they admit that the property of the subject is weaker than that of the King.

The Mahomedan law is more definite on this point. It lays down that the cultivator of waste land acquires property therein, provided he has done so with the permission of the King and that the cultivator of a cultivated land is the owner thereof. In case of conquest, the proprietary right vests in the general people, subject to the payment to the King of a revenue, which is in the nature of a tribute. Both the Hindu and Mahomedan lawyers agree in

vesting the proprietary right of land in the people subject to certain conditions enforceable by the King, not as the owner of the soil, but as the sovereign entitled to levy a contribution out of private property for the objects of the state.

Sir Henry Maine has shown that the conception of sovereignty has in every country, varied with its political evolution. In feudal times, sovereignty was territorial *i.e.*, it was a personal attribute of the King based on the possession of territory. Sovereignty then implied sovereignty over the people's lands. Gradually it ceased to be a personal attribute of the King, and it was regarded as an attribute of the state as a political entity. The sovereign was henceforth the sovereign of the *people* and not of the *territory*. These changes in the political conception of sovereignty had their counterpart in India, which was no less ridden by feudalism than Europe. Under the Hindu and Mahomedan rulers, the king might possess *territorial sovereignty* ; but with the change of rulership and the system of government, territorial sovereignty was superseded by sovereignty over the people. Providence has ordained that the task of protecting the people of India should devolve upon the British, who acquired sovereignty over the people by conquest ; but modern political theory does not favour the idea of British sovereignty over the land. The theory of territorial sovereignty was exploded after the French Revolution when the King was called the " King of the French," and not " the King of France " as before.

Sir Henry Maine says that the history of property in all countries shows that property in land has passed from the whole people to a village community and thence to an individual. Individual ownership is not based upon law or on the state of nature but upon a series of gradual and progressive developments in society. In India, it has been proved, there was originally collective ownership of land by the village communities, and the mode of cultivation and occupation was the same as in Europe. At no stage did this ownership pass into the lands of the state. The right of property is analogous to the modern "sphere of influence" within which a strong power exercises influence over a weak power and grants to the latter certain privileges without claiming property in the territory. This appears to be the correct view of the case. The state, as sovereign, may grant the privilege of ownership implied in cultivation and occupation, to the cultivator; but cannot itself claim ownership, just as it cannot claim ownership in any other private property even after it has conquered a country. It is, therefore, the individual and not the state that is the owner. The theory of the ownership of the state being thus disproved, it follows that it cannot charge rent on property which does not belong to it; and land being private property, the contribution to the state comes out of private wealth and is therefore tax. In Bengal particularly the zemindars being the declared proprietors, the contribution is undoubtedly a tax.



APPENDIX I.

**Despatch from the Court of Directors to the
Governor-General in Council in Bengal
(Revenue Department), dated the
19th September, 1792.**

1. The subject of this separate despatch is the Decennial Settlement, which has so long occupied the attention of your Government, and the proceedings respecting which are detailed in your several despatches subsequent to the receipt of our orders of the 12th April 1786; and in the Minutes and Consultations to which they refer. The extent and magnitude of the subject merits the separate discussion we propose to give to it. We are aware that the complete detail of the execution of the plan is not now before us, and according to your advices of 25th January last, we cannot expect to receive it earlier than the arrival of the vessel to be despatched by you in the month of August; we do not, however feel this to be any reason for postponing longer to convey to you our sentiments and decisions on the leading points which have occurred on the investigation of this subject by your Government.

2. From the nature of the subject itself we can only expect to give you our opinions on the general principles which have guided, and in time to come ought to guide the detail of it, confiding that the detail which has hitherto taken place, and that which still remains, is and will be consonant to the just expectations we derive from the integrity and abilities of your Government, and the servants acting under you in the Revenue Department. Other reasons likewise concur to press us to an immediate decision. We think it material to the success of the plan itself, and to the confidence we wish to inspire in those so essentially interested in it, that our approbation should not appear to come with reluctance or hesitation; and we likewise feel that we owe it

to the very meritorious conduct of our Governor-General that he should have the satisfaction, before leaving India, to announce the final completion of a plan he has so much at heart. And even this circumstance we likewise conceive material to the ultimate success of the measure, knowing that being announced by him, must add much to that confidence upon which the whole success of the measure ultimately depends.

3. We cannot omit on this occasion to report the warm approbation which we feel on the review of the extraordinary labours of our servants in this arduous concern, evident from the vast mass of materials transmitted to us, and especially of the distinguished exertions of our Governor-General and of Mr. Shore, who have displayed, through the whole progress of it, principles and conduct highly honourable to the eminent stations which they filled.

4. In proceeding to act upon our General Orders of 12th April 1786, wherein the foundations of this new system were laid, you wisely began by seeking for every information and every material preparatory or necessary to a permanent settlement of the Revenue. Your enquiries were rightly directed to the past history and present state of the districts; their changes; new impositions and peculiar customs; the ancient rights of the different orders of Landholders and Tenants; the most convenient distribution which could be made of the country into collectorships; the amount at which the tribute of each division should be fixed, the person with whom the settlement for it should be made; and the regulations which should be adopted for removing defects, and securing, especially to the inferior occupants and immediate cultivators of the soil, the enjoyment of their property, subject only to moderate and known demands from the principal Landholders.

5. That important part of those enquiries which relates to the persons with whom the settlement should be made has been conducted highly to our satisfaction, because it has been carefully directed to the object of complying in every possible instance with our precedent orders above-mentioned, which, on the ground of past experience and actual practice, as well as from a desire to

give the most favourable consideration to the supposed claims of the Zemindars, enjoined a preference to that order of persons, unless in cases of peculiar disqualifications. To discriminate these local and particular informations were necessary, and we are pleased to find that the recommendation of our servants in the districts have so generally corresponded with our views, and the leading considerations on this head.

6. Two of the other questions, those respecting the amount of the permanent Assessment, and the regulations which should secure the equitable execution of the new system through every gradation of the community, involved, as we have always been perfectly sensible, manifold and great difficulties which have indeed hitherto constituted the main hindrances to reform, and the very evil to be removed, in order to the prosperous administration of our territorial possessions.

7. The finance principle of the Moghul Government, which was to collect continually upon the actual produce of lands, has, from its nature, led to concealment, chicanery, and fraud. In proportion as the demands of the Sovereign were enhanced, these acts were multiplied, and the character of the people of every rank debased. The great extent of the provinces now held by us; the vast details of their accounts, voluminous for every village, and particularly liable to falsification, loss, and decay; the ignorance, incapacity and want of principle too common among the Zemindars; the changes perpetually happening throughout the country, among the native officers of the Revenue, the corruption of those officers, their fraudulent alienations of land, their indolence and mismanagement; the general inexperience of our servants in revenue affairs during the first years of the Dewannee; and the frequent alterations which have since taken place both in respect to them and to the mode of administering the finances; the very different nature of our Government, and the calamities which the country has sustained: all these circumstances, to mention no others, have concurred to involve the real amount of the produce of the lands in great intricacy and obscurity, and the same causes, joined to the unceasing struggle between the oppressive exactions and

fraudulent evasions, have produced numberless pretences and disguises, increasing continually both the necessity and the difficulty of instituting effective laws for the restoration of reciprocal equity and good faith.

8. The voluminous returns which have been made to your enquiries by the Board of Revenue, and the different Collectors, have undergone a particular examination here ; they are frequent evidences of the labour we have already commended, and in many instances, they are evidences also of great intelligence, ability, activity, and zeal ; they abundantly manifest moreover the inveterate evils which exist, as well in the characters of the landholders and their tenants as in the revenue concerns between them ; and the regulations they suggest for correcting abuses entitled to mention both from the fitness they in general appear to carry in them, as dictated by experience from the immediate scene of disorder. In this view they are extremely interesting, as exhibiting collectively what we must judge to be an authentic and genuine picture of the people under the influence of the old Revenue system ; but we cannot at the same time help observing with regret, that with so clear a perception of existing abuses, and their causes, still so little should, till lately, have been done to remove them ; and we must confess that in other respects we have been somewhat disappointed.

9. After having possessed the Dewannee five-and-twenty years, after so many successive investigations, such a prodigious accumulation of records, and the necessarily improving acquaintance of our servants with the country, we should have supposed that upon so extraordinary a call, we might have seen a more general display of intimate local knowledge, more reference to personal investigation respecting the state, circumstances produce and value of the districts, than the reports of the Collectors have, upon the whole, afforded.

10. The very circumstances however of your being unable in many instances to procure any other than general and hypothetical information on those points, after so much time and so many opportunities for investigation, must itself be considered as a

strong additional argument in favour of a rate of taxation simple and invariable. Having made these general observations on your preliminary proceedings, we think it is incumbent upon us to take particular notice of the comprehensive and masterly dissertation delivered in by Mr. Shore on the 19th June 1789, wherein he has not only exhibited and methodized the most material part of the Reports from the Collectors of the Bengal Province, but afforded us new and important communications from himself, supplying in various respects what they wanted; delineating with great clearness the past financial system and history of Bengal; examining with candour those points in it which have been subjects of controversy; investigating with patient judgment the best system for that country, the difficulties which may attend it, the means of obviating them, and in fine, proposing from the whole a set of regulations for carrying into execution our orders respecting the Decennial settlement, so as to secure justice both to the Government and to the subject, and to prevent in future those abuses which either exist, or may be apprehended in the details of the collections. The great body of information which this performance contains respecting the practice of the Moghul Government and our own, the past and present state of the country, the usages and corruptions in the administration of the Revenue, the rights and the characters of the superior and inferior occupants of the land: such a collection, the luminous order in which it is arranged, the vast application it evinces, and the good sense which pervades it, are all entitled to our respect and praise, and will remain a monument of Mr. Shore's services to the Company.

11. We have perused also with much pleasure and instruction his Minute of 18th of September 1789, on the Revenue Affairs and Decennial settlement of Bahar. These documents, bringing into view the most material point relating to a permanent assessment, have enabled us to enter with greater intelligence into your proceedings upon that important subject, which, waiving the order of time, we shall now follow to its conclusion, leaving such questions as in its progress sprung from it, to be spoken to afterwards.

12. We find that before the Decennial settlement could be generally made, Mr. Lane had in correspondence with the principle

of that settlement, brought forward a Mocurrery plan for some Pergunnabs in Bahar; to this plan we have particularly attended; we think that it went upon just views, and manifested an activity, knowledge and humanity, that reflected very great credit on the gentleman who proposed it. It was an effect of the Decennial settlement in his district, and a meritorious exhibition in practice of our own ideas of letting the lands upon a permanent assessment. His pursuit of a principle, right and laudable in itself, seems to have admitted into the detail of his proposals some articles not perfectly according with that principle; but here also the considerate judgment of Mr. Shore appears to have been of use.

13. The Mocurrery plan, according to our apprehension, afterwards merged in the general Decennial settlement that it was extended to the term of ten years, with the contingency of becoming perpetual; if this was not understood, we now give it as our opinion that such should be the footing on which the Mocurrery lands granted by Mr. Lano should be placed; and deciding this, we think it unnecessary to go into a more particular view of the plan, or the discussions which it produced. But as it brought into early view the principal means and effects of a fixed taxation, it is on that account, as well as from the experiment which it furnished, and the success of that experiment, worthy of our commendation and applause.

14. We have deliberately considered the instructions, which, after all necessary preliminaries, you issued for making the Decennial settlement; first, those of the 20th May 1789, modified subsequently by your resolutions of September 1789, for Bahar, and next, those of February 1790, from Bengal. Regarding these instructions as forming the actual basis of the permanent edifice we wished to erect, we have endeavoured to estimate their fitness to their end, and their conformity to the materials you had before you, the state and circumstances of the country and the people. On the whole, we must declare them to be, in our opinion, well calculated to inspire confidence and remove abuse; to ascertain and to secure the rights of every individual, and, without im-

pairing the authority or diminishing the Revenues of Government, to secure to the people a progress in prosperity instead of decline : we therefore do not hesitate to bestow upon them our hearty approbation, not pledging ourselves in this to every particular idea comprehended in a complex code, but as being decided in our judgment that they were in general what practice and good sense, existing circumstances, and the character of the natives required, to the attainment of the great objects we had in view,—order, equity, the improvement of the country, the happiness of the people, and therein the welfare of the Company, and the advantage of the national interest connected with it.

15. It was impossible, where the customs were so various, the people so numerous, and where so many disorders had prevailed, to provide at once for every case that could arise in the course of carrying it into execution, a new system intended for perpetuity. We therefore see, without wonder, the frequent appeals made to you upon the occurrence of particular cases, or even upon points of a more general nature ; and as we highly commend that candour and solicitude for truth which prompted you, upon the first promulgation of the instructions for the Decennial settlement, to invite the observations and objections of those who were to be employed in the formation of it, so we are extremely satisfied in general with the decisions which you passed upon the references subsequently made to you. As these branched out into considerable detail, it does not fall within the compass of our present designs, but may be the business of a future letter to go into a particular survey of them.

16. We now therefore pass on to the result of your instructions and labours, to the *Decennial Settlement* as (with some exceptions) *formed*: and we are glad to see in one view the progressive state of it to the month of August 1791. From the clear Report transmitted us with your letter of 10th August, by the *Swallow* we thence find that (exclusive of Chittagong, Cooch Bahar, Dacca, Mymensing, Tipperah, and Boglepore, in which places the Decennial settlement was not completed) the net Jumma of 1196, the year preceding the Decennial settlement,

Land and Sayer, was ...	...	Sicca Rupees ...	2,17,43,327
and that the net Jumma of the same district for the permanent settlement, exclusive of Sayer and Abkarry, but inclusive of Russuds, or progressive increases for the first three years, was	..	..	... 2,18,29,459
making an excess, besides the Abkarry to be resumed of, say ...	..	..	... 86,132
we find also the net Jumma Land and Sayer of Chittagong, Cooch Bahar, Dacca, Mymensing, Tipperah, and Boglepore, to have been, in 1196 ...	..	..	'... 41,82,881
and estimated to be, in the permanent settlement, exclusive of Sayer and Abkarry, but inclusive of progressive increases	..	..	... 39,17,185
making a decrease of ...	..	..	... <u>2,65,696</u>
and on the whole a decrease in the permanent Jumma, excluding the Sayer and Abkarry, say ...	..	..	... 1,79,564
of which decrease however the tax on spirituous liquors, or Abkarry, separated from the Jumma on purpose to be resumed, is stated to be at least sufficient for, so that we may fairly reckon the net Jumma of 1196, including Sayer, being as above			
say ...	...	..	... 2,17,43,327
and ...	...	Sicca Rupees ...	41,82,881
In all, say ...			<u>2,59,26,208</u>

to be the net amount also of the Decennial settlement, exclusive of that complex and extensive article of Sayer abolished, and stated in a subsequent part of the same Report to amount, by the accounts from the Collectors, to no less a sum than Sicca Rupees 9,81,192.

17. We must therefore declare ourselves to be satisfied with this settlement as far as it has been concluded, and with the prospect given us of its completion. The amount appears to be on the whole as much as, exclusive of the alienated lands and the Sayer, could easily or certainly be, in the circumstances of the country, levied from it; and we are happy that with the abolition of a tax so widely oppressive as the Sayer is found to have been, it can afford a permanent revenue equal to the medium of our past receipts from it, and sufficient, we trust, not only for all exigencies of Government, but for the gradual extinction of our debts abroad; at the same time the growing improvement of our territories is provided for, and a source opened, which, from the progress of industry, and the extension of commerce, may probably furnish additional articles of revenue in a shape the least burthensome to the country.

18. It is also very agreeable to find that the settlement has in general been made with the Landholders, or on their behalf; we would hope that by this time it is extended throughout the districts, all the arrangements respecting it completed, and the whole in a train of encouraging performance.

19. We shall wait with impatience for the sequel of your advices on this interesting subject, and in the meantime have given our sentiments upon the rules for the Decennial Settlement, and the actual formation of it so far as that is known to us. We proceed to speak more particularly to several questions of importance which arose in the course of that work, and upon which our decision or opinion is required; they were involved in your proceedings with the main subject, but we have thought it more convenient to separate them, and first, following that subject to its close, to give a distinct consideration to the most material of those points which came into discussion in its progress.

20. One of the earliest of these was the landed rights of the Zemindars. In former despatches we have, on different occasions, conveyed to you our sentiments on that point, though we have also stated that we felt the materials before us to be insufficient for forming a decisive opinion. On the fullest consideration we are inclined to think, that whatever doubts may exist with respect to their original character, whether as proprietors of land or Collectors of Revenue, or with respect to the changes which may in process of time have taken place in their situation, there can at least be little difference of opinion as to the *actual* condition of the Zemindars under the Moghul government. Custom generally gave them a certain species of hereditary occupancy, but the Sovereign nowhere appears to have bound himself by any law or compact not to deprive them of it, and the rents to be paid by them remained always to be fixed by his arbitrary will and pleasure, which were constantly exercised upon this object. If considered therefore as a right of property, it was very imperfect and very precarious, having not at all, or but in a very small degree, those qualities that confer independence and value upon the landed property of Europe. Though such be our ultimate view of this question, our originating a system of fixed equitable taxation will sufficiently shew that our intention has not been to act upon the high claims of Asiatic despotism. We are, on the contrary, for establishing real, permanent, valuable landed rights in our provinces; for conferring that right upon the Zemindars; but it is just that the nature of this concession should be known, and that our subjects should see they receive from the enlightened principles of a British Government what they never enjoyed under the happiest of their own.

21. The amount of present resources of our provinces has been another principal subject of discussion, and it is certainly deserving of the most attentive consideration in the contemplation of a permanent settlement. We have found two very different views of it, one given by Mr. James Grant in his analysis of the Revenues of Bengal, and another by Mr. Shore in his valuable Minute of 18th June 1789, already quoted. We willingly take

this opportunity of repeating, that the work of Mr. Grant appears to us a curious and interesting one, evincing both extraordinary disquisitory powers and a laudable application of them to the affairs of the Company, whereby he has at length effected that which ought to have been performed at the period of our accession to the Dewannee; for one of the most proper objects of enquiry at that juncture certainly was, the real ability of the districts, and their financial history upon these subjects. As far as the native administration is concerned, Mr. Grant's able and ingenious researches have thrown more light than all the collected informations that preceded them, and they may have been of considerable use in enlarging and amplifying discussions that were important in proceeding to a permanent settlement. But we must, upon the fullest consideration, disapprove entirely of the Mogul principle of taxation, the division of the actual produce between the Sovereign and the immediate cultivator of the soil, which under various modifications, has continued to be the basis of practice unto the present time: we are convinced there are evils inherent in this mode, greatly obstructive of national improvement and happiness. We are moreover by no means satisfied that our provinces have now resources equal to those which they possessed even when ceded to us; we wish indeed, that we saw no reason to apprehend the contrary. From the best judgment we can form, the natural calamities to which the country has been subjected joined to other circumstances, have greatly altered its state, which at present affords no external signs of abounding wealth, nor any probable source of large increase, except the alienated lands, which remain a subject for investigation. We do not mean to enter on that article at present farther than to observe, that the outlines of the plan suggested by Lord Cornwallis, in his letter of 15th August 1790, appear to us to be formed with great wisdom and propriety, and we shall forbear expressing our sentiments upon it, more particularly, till we have received the plan itself in detail. In giving our opinion on the amount of the settlement, we have been not a little influenced by the conviction that true policy requires us to hold this remote dependant dominion under as moderate a taxation as will consist with the ends

of our Government. But in any case, after all the changes that thirty years nearly have produced and confirmed, we must be of opinion that it would be vain to attempt to place things now upon the same footing whereon they stood at any distant period, or to establish a reform by local scrutinies, which would be endless as well as odious. We see hence no standard or guide for fixing our demand, but the experience of a series of past years, joined to such personal and official informations as are now procurable. These informations, upon an occasion so singularly interesting, we certainly could have wished to have been still more intelligent and full than they appear to be; but finding that in this way of proceeding the amount of Revenue, which, after due consideration of the usual exigencies of our Government, and of the reserve proper for extraordinary services, we had fixed in our general letter of 12th April 1786, may be obtained, we do not wish to expose our subjects to the hazard of oppressive practices by requiring more.

22. The next distinct point to which we think it necessary to advert arises out of the proceedings in the Supreme Council, as well as the Board of Revenue, upon the subject of Gunges, Hauts Bazars, inland duties on the transit of commodities, and all that falls under the denomination of *Sayer*, with the questions that were agitated concerning the right of Zemindars to levy such imposts; the assumption of that power into the hands of Government; and finally, the entire abolition of the whole system of internal duties with the exception of certain specified articles. We see, not without surprise, some of the most intelligent of our servants regarding the imposition of internal taxes, duties or customs, as a branch of the proprietary rights of Zemindars, and observe in this instance the danger of adopting into practice rigid systematical deductions from premises in themselves imperfectly defined. Upon general principles, and especially the principles of a despotic Government, we can conceive nothing more incongruous and extraordinary than the inherence of such a legislative power in a great number of individual subjects; and we find, that what is thus at variance with probability is contradicted in fact by immemorial usage, which exhibits the privilege of

imposing internal duties as exclusively belonging to the Sovereign, and so constantly exercised that no Gunge, Hant, or Bazar, could be established without the authority of the governing power. In agreement with this practice the Company did, twenty years ago, interpose, as their administration have since done, in various ways to regulate or abolish oppressive establishments and taxes of that nature. No right of Government therefore seems to us less disputable than that of separating them from the land tenures of the country, and modifying them at pleasure, making suitable allowances for the rents accruing from such as were established under the sanction of Government. We approve therefore, and applaud the assumption of all duties and taxes whatever, with the power of levying them from the Landholders ; and having seen from the details in your proceedings the enormous extent and complication of the abuses and oppressions committed under such names, with the great difficulty of eradicating evils become inveterate, even under the immediate administration of the officers of Government, we are of opinion, that since it was deemed impracticable to establish instantly a proper discrimination, and to collect only what might reasonably be exacted upon certain articles of internal consumption, since the advantage derived by the State was comparatively small, and the injuries suffered by the trade and the people of the country grievous, you acted wisely, as well as liberally, in proceeding to the entire abolition of those instruments of internal oppression.

23. We think however, in correspondence with the idea you appear to entertain, that this should be considered as a suspension rather than an extinction of the financial principle of internal duty ; that when the whole business of the Decennial Settlement is in a due train of execution, and the time in other respects suitable, Government may review this object with the design of ascertaining to what extent, in what form, and under what rules, it may safely be again made an article of Revenue without the danger of such abuses against the State, and against its subjects, as have hitherto subsisted in it. And we think likewise, that this contingency of its resumption should be understood by the

people, that they may the more easily acquiesce in subsequent measures to that end.

24. In the mean time we trust effectual care will be taken, that Zemindars and others in possession of lands do not, by imposing on the credulity or fears of the people, continue any exactions of this nature. We see reason for apprehension, when, after so many and such severe prohibitions of Government, even rendering disobedience capital offence, the country should have swarmed with illicit Chokeys or collecting stations, an astonishing fact ! which we know not how to reconcile with due vigilance in our servants placed over the districts as well for the protection of the people, as the security of the Revenue.

25. In reviewing your regulations respecting the persons with whom settlements were to be concluded, we observe that in certain instances you have been under the necessity of making agreements with Farmers, but we do not find that in this instance you have formed any decision how these lands are disposed of at the expiration of the period for which they were farmed, and we wait to learn your sentiments on this point. Our opinion at present is, that in the instances where the Landholders have at present been excluded, the first opportunity would nevertheless be taken of again giving to them or their heirs the option of being restored to their lands according to the general principles now to be established. Some caution however may be necessary, in order to avoid giving encouragement to those who may have declined entering into the agreement at present, in order to profit by the embarrassment of Government.

26. Another separate object of attention, and which is connected with very important considerations, is the question which arose with respect to the different descriptions of Talooks. We are not insensible that, if the new system produces in process of time all the effects which may reasonably be expected from it, the waste landed tenures of which several of the Zemindarries consist may become an object of very serious import, under different views, to the British Government in that country ; and this in our opinion constitutes one of the most weighty reasons, though

not against the confirmation of absolute hereditary landed rights, yet for all practicable circumspection in proceeding to the establishment of them. Indeed the facility with which annexations appear to have been made to Zemindarries, and the magnitude to which some of these have been swelled even by the originating acts of the native Government itself, must be admitted to furnish some presumptive argument against the notion of strict proprietary title. In those annexations there seems to have been always implied the existence of a despotic principle which left every thing subject to new modification at its pleasure; and on this account the circumstance which probably gave rise to these extensive possessions made them less an object of jealousy to Government. But under the Company's Government the case has already been different. The impolicy of these extensive territorial possessions, and jurisdictions, even in the loose form in which they have hitherto been held, has not passed unnoticed. Upon a system of permanent possession and still more of fixed taxation, the inconveniences of them may be expected to be more real and serious. Whenever therefore the claims of justice do not interfere, it must be extremely desirable to promote subdivisions of the property in the soil; and we think that you consulted both justice and policy in determining to disjoin entirely from the Zemindarries those 'Talooks which come under the description specified in the Resolutions transmitted in your Revenue letter of the 16th August 1790; a wise and important measure, the offspring of the same comprehensive views which have directed the rest of your conduct in this great concern.

27. With a view to the considerations here stated we are desirous of having before us in one view, an account of the total number of Landholders of every description with whom the settlement has been made in each district, distributing them into different classes according to the amount of the rent which they are to pay, and in the instances where the lands have been farmed, we wish for a similar specification. Possibly the materials which you have transmitted may be sufficient for forming an abstract containing this information, and we have given directions for their being carefully examined for that purpose; but on so

interesting a point we are anxious to obtain the most accurate information, and we therefore direct that you will lose no time in preparing and transmitting to us such an account.

28. We have attended to your proceedings upon another question which grew out of this determination, whether such Talooks as were, by a specific clause in the title deeds for them, stipulated to continue inseparable from the Zemindarry, should nevertheless come under the new regulation? It does not appear to us that a clause of that nature could in general have had the sanction of the Sovereign or his Dewan; and we must think that wherever such sanction was wanting, the whole transaction rests upon no other legal validity than what prescription may give it. We shall thus not only be of opinion with the Governor General, that such an unauthorized clause contained in itself an irregular assumption on the part of the Zemindar, but that in fact the title conveyed by him was insufficient in any other view than as a mere Pottah. If prescription, however, is supposed to cure this original defect on one side, it may also be pleaded on the other in favour of the unwarranted clause; and thus the question may be regarded as relative branch of that much more comprehensive one respecting lands illegally alienated.

29. If our views of this question relative to Talooks of the description above stated be just, that the substance of the transaction, or the grant itself was legal, but with the super-addition of an illegal clause, then it remains to be considered whether this clause should vitiate the grant which prescription may have confirmed, or Government give up its right, which is disregarded in the clause. On this point we do not feel ourselves prepared to give any positive instruction, {and indeed whatever might be our opinion upon it, we should feel ourselves precluded from enforcing, during the period of the Decennial Settlement, any measure contrary to the decision which you have already announced upon it. But considering the doubtful state of this question, we are inclined to think that if it could be settled to the satisfaction both of the Zemindars and the holders of the Talooks, the most equitable and desirable arrangement would be,

that the latter should be completely separated from the Zemindary agreeing on their part to pay, as a consideration to the Zemindar, for a limited term, such a moderate annual sum over and above the Jumma paid to Government, as might, under all the circumstances, be thought reasonable. You will observe that these sentiments are grounded upon the policy of taking every fair occasion of dividing the great masses of that permanent property which will be now established, into fewer hands, than those among whom it was distributed, while it existed upon different principles. And perhaps if the Zemindars could feel all the value of the rights and conditions which under this settlement they will acquire, they would be willing to secure them by the surrender of claims less questionable than those of which we have been speaking. What we have now stated will in part apply also to an object which is important in another point of view, and which we therefore wish to take notice of ; we mean that of the portions of lands in the possession of different proprietors which are at present let uncultivated. If the different proprietors should be allowed to avail themselves exclusively of the whole benefit to be derived from these lands in the improved state of cultivation which the new system has an evident tendency to promote, such a circumstance may, in process of time, add very considerably to the value of possessions already too large. It is besides to be considered, that if it can be effected without counteracting the principal object of encouraging industry, Government may fairly expect in due time some reasonable participation in the wealth arising from such a source ; and we observe that Mr. Shore seems to be of opinion, that if such a participation were only to take place gradually, and at a certain period after the new lands have been put in cultivation, it would form no obstacle to improvement. At the same time, this is a subject on which we do not mean to give any fixed opinion ; and we are aware that it is connected with points of considerable delicacy.

30. If it would be understood to be in any degree inconsistent with the terms of your settlement, we would on no account wish it to be attempted during the period to which that settlement

extends ; nor should we be inclined to adopt it after that period, if it should, on due consideration, be thought to break in upon the principle of permanent property in the present Landholders, or should appear likely to discourage or retard the progress of cultivation. Besides these general considerations, much must depend on the local situation of lands of this description. It could probably be only where they extend over separate and large tracts that the suggestion would at any rate be practicable. It could hardly be applied to such as are in small parcels, and blended with lands already in cultivation, without much intricacy, uncertainty and expense. At all events, if any arrangement can be formed upon the subject, it is material that it should be clearly defined and understood, before announcing our final decision respecting the perpetuity of the present settlement. Having explained to you our general sentiments, we shall leave the application of them wholly to your discretion on the spot ; and we shall now proceed to that great and important point which is the immediate and principal object of these instructions.

31. The difference of opinion which took place between Lord Cornwallis and Mr. Shore, concerned, first, the propriety of *declaring* that the Decennial settlement, if approved by the Court of Directors, should be rendered perpetual, and then, the expediency of the measure itself, of unalterably settling the Jumma of the provinces at the end of the first ten years, or indeed in the peculiar circumstances of Bengal, of ever fixing at all an immutable rate of assessment for it.

32. We have bestowed the utmost attention upon the arguments advanced on both sides of these questions, which form in effect but one subject consisting of several parts, all referrible to the same principles of objection and defence.

33. It is a subject of high importance, involving the most momentous interests of the Company, and of extensive kingdoms, for the present and all future time. We cannot thence but feel solicitude in being called to decide upon it ; but we see that a decision is necessary, and shall therefore give the result of our most serious deliberation, conducted with an earnest desire of

acting on the justest principles of policy, and of promoting the lasting welfare of our territories, and of all the interests connected with them.

34. It affords us much satisfaction that this subject has received so ample a discussion in Bengal, where every argument and objection can be best felt and appreciated and from the first members of our Government, who have shewn themselves possessed of that intelligence, candour, integrity and public affection, which render them worthy of managing so great a question.

35. The difference of opinion which has subsisted we find not to relate so much to general principles as to the application of them. That the tax which the subject is to pay to the State should not be arbitrary, but ascertained and fixed ; that all besides which his industry can produce to him should, as far as possible, be secured to him ; and that in order to the prosperity of a country, property should be rendered definite and certain ; these positions, as general truths, Mr. Shore does not oppose, but he questions the propriety of practically applying them to Bengal at the present time, and in its peculiar situation. The ground of discussion is thus narrowed, not comprehending fundamental principles, but merely questions of time and of other circumstances. It is material to us to see everything that can be urged on the side Mr. Shore has espoused. As his objections are chiefly of a local and appropriate nature, they were the less likely to be viewed by us in all their force ; and, as we have good reason to believe that they never could be urged with more judgment of a more dispassionate mind than he has displayed, as we may reckon that in possessing his sentiments, we know the worst that can be said against a perpetual settlement of the Bengal Revenues.

36. It would be doing Mr. Shore injustice not to acknowledge, that as his opinions in general against such a settlement are advanced with ability, so there are several of his objections which are very serious in themselves, and have considerably impressed our minds. These are drawn from the still imperfect knowledge of our Government respecting the real resources of the different

divisions of the provinces, as well as of the respective rights of Zemindars, Tolookdars, and Ryots ; from its inability to discriminate what part of the taxes, actually levied from the two latter classes by the Zemindars, ought to be sanctioned by Government in a permanent settlement ; from the uncertainty of accomplishing that settlement with a due regard to the rules prescribed for it, and especially from the extreme difficulty of forming and executing such regulations as shall secure to the great body of the Ryots the same equity and certainty as to the amount of their rents, and the same undisturbed enjoyment of the fruits of their industry, which we mean to give to the Zemindars themselves. Upon these grounds it is contended that, as some districts of the country will probably be over-rated, and others suffer from droughts and inundations, the proprietors, unable to make good their assessments, will, without anything blameable on their part, be deprived of their lands by judicial sale ; that the Company will from such causes as these be exposed to a continual diminution of the stipulated Revenue, without a possibility of any augmentation to balance their losses ; and that after all, unless we succeed in introducing and establishing equitable regulations between the Landholders and their Tenants, the great objects for which such sacrifices and a permanent settlement will have been made that is, the improvement and happiness of the country, will be unattained, and therefore the evils of the old system still subsist.

37. From all these considerations and others of inferior weight urged by Mr. Shore, he infers, that we should attempt to advance to a perpetual settlement only by gradual measures ; that the first decennial period should therefore be regarded as a period of experiment and improvement, wherein the knowledge of our Government as to the state and resources of the country, and the relative rights of the different orders of the people, is to be improved ; wherein confidence is to be given to them, the mode of fixing and collecting the rents from the Ryots to be simplified ; due regulations of every kind established and enforced ; the people by degrees formed to the new system of certainty and security ; inequalities in the assessment discovered ; and the

first period having thus passed in experiment, practice, and approximation to a permanent arrangement, advantage to be taken of all the experience acquired in it for the settlement of a second period, by which time present doubts will probably be cleared up, and the way opened for the agitation of a perpetual settlement, free of the embarrassment which now attend that question.

33. No consequences more formidable could be presented to us from the proposed system than a diminution in perpetuity of the Company's Revenue, with the still continued subsistence of all or any of those disorders in the mode of imposing and levying it from the great body of the people, which have already done such essential injury to the country, and must ever prove a bar to its prosperity.

39. Very clear and solid arguments were requisite to repel the difference which this view of the subject, from such an authority, had a tendency to create, and to encourage us to persevere in our original idea of giving a fixed constitution to the finance and land tenure of the country. But this satisfaction Lord Cornwallis has afforded us in his Minutes of the 18th September 1789, and 3rd February 1790, which we sincerely regarded as two very valuable records, written with enlarged and just views upon the soundest principles of policy, with perfect fairness, great acquaintance with the subject, and the most conclusive reasoning in favour of a permanent assessment.

40. In these documents, the last of which, if Mr. Shore had seen it, might probably have removed his *doubts*, as he candidly styles the objections he left on record, we find it convincingly urged that a permanent assessment, upon the scale of the present ability of the country, must contain in its nature a *productive principle*; that the possession of property, and the sure enjoyment of the benefits derivable from it, will awaken and stimulate industry, promote agriculture, extend improvement, establish credit, and augment the general wealth and prosperity. Hence arises the best security that no permanent diminution can be expected to take place, at least to any considerable amount: occasional

deficiencies may occur for a time from the mismanagement of particular Landholders, but it cannot be supposed that any of the lands will permanently be less productive than at present; and as we have every reason to believe that the Jumma now formed is moderate in its total amount, and properly distributed the lands themselves will, in most instances, ultimately be a sufficient security for the proportion charged upon them. With respect to losses from droughts, inundations, and other casualties, these occur also in the present system, and usually fall upon the Company themselves; but it will hereafter be different; because the advantages of proprietary rights and secured profits in the Landholder will, on his part, afford means to support and incite exertions to support them; the deficiencies of bad seasons will on the whole be more than counterbalanced by the fruits of favourable years; there will thus be a gradual accumulation, whilst the demands of Government continue the same; and in every step of this progressive work property becomes of more value, the owner of more importance, and the system acquires additional strength; such surely appear to be the tendency and just consequences of an equitable fixed assessment.

41. With respect to the objections drawn from the disorder and confusion in the collections, the uncertainty of their amount, the variable indefinite rules by which they are levied, the exertions and collusions thence too prevalent, the intricacies in the details of the Revenue business, and the ignorance and incapacity of the Zamindars, Lord Cornwallis charges these evils, so far as they exist, (and we think with great justice) upon the old system, as a system defective in its principle, and carrying through all the gradations of the people, with multiplied ill effects, that character of uncertain arbitrary imposition which originated at the head. He therefore very properly contends that reform must begin there, and that in order to simplify and regulate the demands of the Landholders upon their Tenants, the first step is to fix the demand of Government itself.

42. To another class of objections formed upon our still defective knowledge of the resources of the country, the rates, and the

amount of the collections actually made in it by the Zemindars and farmers, Lord Cornwallis opposes the long series of time and investigations already past, the labours of the collectors for three successive years in his administration ; the communication of all the knowledge they could obtain, their superior fitness for carrying into execution that system with a view to which they had been so long employed, the improbability of succeeding better with other Collectors and fresh reports ; from all which his Lordship infers, that there remained only the alternative of sitting down passive and despondent under the supposed existing difficulties and disorders, or of acting upon the information already acquired.

43. Admitting, as we do, the imperfect knowledge of our servants in the details of the Revenue, and lamenting it, not without some mixture of mortification, on considering the long course of opportunities which our possession of the country has afforded, we must nevertheless concur with Lord Cornwallis in thinking that it would be too sanguine to expect any future general improvement in this respect ; a conclusion which is especially fortified by the high principle and energetic character of his Lordship's administration, and the very able assistance which it has received in Revenue Affairs from the distinguished talents of Mr. Shore. Further accessions of knowledge must indeed so much depend upon personal qualities, that to suppose either a whole set of people to possess those which are suitable, or a succession of them to take place where they happen once to appear would be to argue contrary to past experience ; and therefore we turn with the greater pleasure to a system that promises to relieve us from so unproductive a dependence.

44. The greatest obstacles to the execution of the new system being as already noticed, the difficulties of establishing an equitable adjustment and collection of rents between the Zemindars and the Ryots, we are happy to see that Lord Cornwallis is of opinion the propositions which Mr. Shore himself has made for this end, recommending written specific agreements in all cases, would, if duly followed, be effectual. On this important branch

of the subject we do not yet feel ourselves sufficiently in possession of all the necessary details to form a final and positive determination.

45. From the materials which have been transmitted, we are led to believe that the situation of the Ryots varies in different districts according to local manners, customs, or particular agreements; and it appears as if in some instance the right of Ryots of different descriptions, though in the same district, was considered as more or less permanent and secure. The application therefore of any general principles must be guided by minute local investigation, and we shall expect particular regulations, adapted to all the different circumstances, to be prepared, and finally submitted to our consideration. In looking to the ultimate situation of the provinces under our Government, we cannot indeed but hope, that under the system which we now propose, the possessors of lands will gradually learn from experience that their own interests are permanently connected with the security and comfort of the cultivators of the soil, and that the time will come when the advantage of every class of the community will be best promoted by leaving to every man the care and management of his own property.

46. But, as so great a change in habits and situation can only be gradual, the interference of Government may for a considerable period be necessary to prevent the Landholders from making use of their own permanent possession for the purposes of exaction and oppression; we therefore wish to have it distinctly understood, that while we confirm to the Landholders the possession of the districts which they now hold, and subject only to the rent now settled; and while we disclaim any interference with respect to the situation of the Ryots, or the sums paid by them, with any view to any addition of Revenue to ourselves, we expressly reserve the right, which clearly belongs to us as Sovereigns, of interposing our authority in making from time to time all such regulations as may be necessary to prevent the Ryots being improperly disturbed in their possessions, or loaded with unwarrantable exactions. A power exercised for the pur-

poses we have mentioned, and which has no view to our own interests, except as they are connected with the general industry and prosperity of the country, can be no object of jealousy to the Landholders, and instead of diminishing, will ultimately enhance the value of their proprietary rights. Our interposition, where it is necessary, seems also to be clearly consistent with the practice of the Mogul Government, under which it appeared to be a general maxim that the immediate cultivator of the soil, duly paying his rent, should not be dispossessed of the land he occupied. This necessarily supposes that there were some measures and limits by which the rent could be defined, and that it was not left to the arbitrary determination of the Zemindar, for otherwise such a rule would be nugatory ; and in point of fact, the original amount seems to have been annually ascertained and fixed by the act of the Sovereign.

47. Having thus explained our opinions of the several points which have arisen we conclude by stating to you, that important and arduous as we consider the measure of a perpetual settlement, and irreversible as it is in its nature, we think ourselves bound, from considerations of duty to all the interests to which it concerns, to proceed to it. No conviction is stronger upon our minds than that instability in the mode of administering our Revenues has had the most prejudicial effects upon the welfare of the provinces, upon our affairs, and the character of our Government ; and of all the generated evils of unsettled principles of administration, none has been more baneful, than frequent variation in the assessment. It has reduced every thing to temporary expedient, and destroyed all enlarged views of improvement. Impolitic as such a principle must be at all times, it is particularly so with respect to a dependant country paying a large annual tribute, and deprived of many of its ancient supports. Such a country requires especially the aid of a productive principle of management, and it is with solid satisfaction that we look to the great resources which it yet has in its uncultivated though excellent lands. But these lands must be opened ; and what have all the attempts of nearly thirty years to this end produced ? What are we to expect from still leaving room for the principle

of fluctuation which has prevailed during that period, though we may profess to place succeeding change at a remoter distance? Long leases with a view to the equal gradual establishment of a permanent system, though recommended upon the ground of safety, we must think would still continue in a certain degree the evils of the former practice; periodical corrections in the assessment would be in effect of the nature of a general increase, and tend to destroy the hope of a permanent system, with the confidence of exertion it is calculated to inspire. Had such a system been adopted twenty years ago, and fairly followed, it is not to be doubted that the produce, manufactures, and commerce, of the country, would at this time have been in a more flourishing state than they are, and the people, sensible of a new order of things, of privileges and prosperity unenjoyed before, would have risen in their character, and felt real attachment to the Government from which those blessings were derived. That Government too, instead of being so much occupied as it has been in all time past, by the degrading struggle perpetually subsisting throughout the country for taxes and rents, would, as our Governor General has already suggested, have had leisure to turn its cares to other functions of the ruling power, to the internal regulation of the community, the establishment of wholesome laws, and the due administration of them. The principle therefore which would have laid the foundation of this appears the only one still to be adopted; it places the security of the Company's revenue on the only basis which we can discover to be a solid one, *the growing prosperity of the country*; and hopeless alike of better lights than those already attained, and of an administration more fitted effectually to establish a great reform than that of which Lord Cornwallis is the head, we must be of opinion, with his Lordship, that to delay the introduction of it, supposing always the first standard settlement properly formed, would be to postpone the commencement of the prosperity and the happiness of the country.

48. Upon that settlement, so far as it has yet come before us, either accomplished or in prospect, we have already given our opinion; and we therefore now direct you, if no new circumstance of

importance has occurred to retard its natural operation, or to threaten the defeat of our reasonable expectation from it, to declare it, wherever it has been made with or on behalf of the landholders, perpetual. In order to leave no room for our intentions being at any time misunderstood, we direct you to be accurate in the terms in which our determination is announced, and you will be careful to have it translated and circulated in the same manner as you have directed with respect to your own code of Regulations. Having left it to your discretion to decide on the measures to be adopted relative to the waste lands, you will of course determine whether any reserve should be made in this declaration with a view to that object, and you will in a particular manner be cautious so to express yourselves as to leave no ambiguity as to our right to interfere from time to time, as it may be necessary, for the protection of the Ryots and subordinate Landholders, it being our intention in the whole of this measure effectually to limit our own demand, but not to depart from our inherent right, as Sovereigns, of being the guardians and protectors of every class of persons living under our Government. We are not aware that we have omitted a determination upon any article necessary or important to your procedure to this last step, and we shall be happy that Lord Cornwallis, who has done so much in this arduous work, sees no reason to deny himself the happiness of announcing a new constitution to so many millions of the Asiatic subjects of Great Britain.

49. There remains but one subject to mention in this letter ; that, however, is a subject of the last importance : it is the watching over, rearing and maturing of this system ; maintaining under future Administrations the energy which has commenced it. All the benefits hoped for from it to the country and the Company, all its success, must depend upon this vigilance and fostering care of our Government and our servants. No mistake could be more fatal than that of supposing that it may be left to its own execution, and that all the effects it is indeed fitted to produce will necessarily, and of course, flow from it. If any conclusion is to be drawn from the descriptions given of the people, it is surely this, that the powerful are oppressive, and

the weak fraudulent; having neither wisdom or confidence to act for distant good, and being unrestrained by moral consideration, they are prone to avail themselves of present opportunity. It is true that the new system reckons upon their self-interest, and this is an excellence in it; but it will take time to assure them that the system is solid, and to discover to them that their interest is best promoted by following the dictates of justice and humanity. The business of our Government must be to prevent them from violating these principles, injuring each other, and obstructing the gradual development of the effects which the new institution is calculated to produce. When the effects are become obvious, and the people are taught by sensible demonstration, the system will then, as we have already suggested, be better able to stand by itself. In the meantime it must be the duty of our servants to watch incessantly over its progress; to see that the landholders observe punctually their agreements with Government and with the ryots; that they neither pass invented claims on the eve of a permanent settlement, nor fraudulently shift the burthen of Revenue by collusive transfers, nor by any other sinister practices diminish the payment of their stipulated assessments; that they likewise uniformly give to the ryots written specific agreements, as also receipts for all payments, and that those agreements be on the one side and the other fairly fulfilled. In this way, and in this only, can the system be expected to flourish. But it is not enough that complaints are redressed when they reach the seat of authority; many injuries in the remoter parts of the districts may thus be committed with impunity. It will be the Collector's duty to inspect every part of the province entrusted to him, to see the state of cultivation, to enquire into the condition of the ryots, and thus to afford opportunity for representation, and check the propensity to abuse.

50. The same consequences will not follow from this practice as might have been apprehended in the former system; the invention of numberless pretences incapable of investigation, in order to elude the time of payment on the one hand, or to enforce exaction on the other, under the plea of not suffering that time to be lost. Written specific agreements must reduce every dispute

to a short and simple process. It is not our intention to enumerate all the ways in which vigilance is to be exercised, we mean only to inculcate the necessity of it, and that it must be universal. The interest of the Company, as well as of the country, will absolutely require this our demand from the lands; the great and now almost the only source of Revenue is *fixed*; with the exception of any addition which may be made from resurreptions, or which may arise from uncultivated lands, (if that resource should be found available) it is *fixed for ever*, a most serious argument (as for strict economy in the expenditure of what is limited so) for the utmost care on our part; that our known resources being on the one hand restrained from increase, they may on the other be preserved from diminution. Nothing but the prosperity of the country can effect this, and prosperity is to be hoped for only by an active and upright superintendence in the Government, by its pervading influence throughout the districts, dispensing justice and establishing internal order and peace. We shall most assuredly follow, with strict observation, the practical conformity of our servants in their several stations to these sentiments, and shall not only consider positive unfaithfulness, but (where everything depends upon intelligent activity) remissness, as a sufficient disqualification for employment.

51. It is a truth of great importance that the *neglect* of instituted regulations has, more than the imperfections of former plans, been noxious to our affairs. We now establish the best system, and thence the most fitted for execution, but for which constant attention is requisite, and we wish therefore that all our servants may be constantly awake to this truth, and consider their own immediate interest and honour, as well as those of the Company and the Nation, involved in the prosperity of the system of permanent taxation, and in the strenuous support and enforcement, according to their respective situations, of all the regulations framed for its success.

52. Since writing the foregoing Letter we have gone into a distinct consideration of Lord Cornwallis's Minute of 1st December 1790, referred to in your letter of 31st January 1791, proposing principles and rules for the ultimate determination of the

long depending and important question respecting the alienated Lands. The opinion we had before conceived from the outlines of his Lordship's plan is by this Minute fully confirmed ; he appears to us to have, with a wise and happy medium, consulted both the rights of Government and the ease of the people ; to have made the most perfect adjustment between them that such a case would admit ; and we therefore give our approbation, and sanction to the final regulations he has proposed.

We are,

Your affectionate friends,

T. BARING.
J. SMITH BURGESS.
JOHN ROBERTS.
JOHN HUNTER.
THOS. CHEAP.
W. EWER.
W. BENSLEY.
HUGH INGLIS.
JOHN TRAVERS.
P. LE MESURIER.
T. PATTLE.
S. LUSHINGTON.
WM. MONEY.
JOHN TOWNSON.
NATH. SMITH.

LONDON,

The 19th September 1792.

APPENDIX B.

Regulation I of 1793

I. The following articles of the Proclamation relative to the limitation of the public demand upon the lands, addressed by the Governor-General in Council to the *zemindars*, independent *talookdars*, and other actual proprietors of land paying revenue to Government, in the provinces of Bengal, Bahar, and Orissa, are hereby enacted into a Regulation, which is to have force and effect from the 22nd March 1793, the date of the Proclamation.

PROCLAMATION.

II. *Art. I.*—In the original regulations for the decennial settlement of the public revenues of Bengal, Bahar, and Orissa, passed for those provinces respectively, on the 18th September, 1789, the 25th November 1789, and the 10th February 1790, it was notified to the proprietors of land with or on behalf of whom a settlement might be concluded, that the *jumma* assessed upon their lands under those regulations, would be continued after the expiration of the ten years, and remain unalterable for ever, provided such continuance should meet with the approbation of the Honourable Court of Directors for the affairs of the East India Company, and not otherwise.

III. *Art. II.*—The Marquis Cornwallis, Knight of the most noble order of the Garter, Governor-General in Council, now notifies to all *zemindars*, independent *talookdars* and other actual proprietors of land paying revenue to Government, in the provinces of Bengal, Bahar, and Orissa, that he has been empowered by the Honourable Court of Directors for the affairs of the East India Company, to declare the *jumma*, which has been or may be, assessed upon their lands under the regulations above-mentioned, fixed for ever.

IV. *Art. III.*—The Governor-General in Council accordingly declares to the *zemindars*, independent *talookdars*, and other

actual proprietors of land, with or on behalf of whom a settlement has been concluded under the regulations above-mentioned, that at the expiration of the term of the settlement, no alteration will be made in the assessment which they have respectively engaged to pay, but that they, and their heirs, and lawful successors, will be allowed to hold their estates at such assessment for ever.

V. *Art. IV.*—The lands of some *zemindars*, independent *talookdars* and other actual proprietors of land, having been held *khas*, or let in farm, in consequence of their refusing to pay the assessment required of them under the regulations above mentioned the Governor-General in Council now notifies to the *zemindars*, independent *talookdars*, and other actual proprietors of land, whose lands are held *khas*, that they shall be restored to the management of their lands, upon their agreeing to the payment of the assessment which has been, or may be required of them, in conformity to the regulations above mentioned; and that no alteration shall afterwards be made in that assessment, but that they, and their heirs, and lawful successors, shall be permitted to hold their respective estates at such assessment for ever: and he declares to the *zemindars*, independent *talookdars*, and other actual proprietors of land, whose lands have been let in farm, that they shall not regain possession of their lands, before the expiration of the period for which they have been farmed (unless the farmers shall voluntarily consent to make over to them the remaining term of their lease, and the Governor-General in Council shall approve of the transfer); but that at the expiration of that period, upon their agreeing to the payment of their assessment which may be required of them, they shall be reinstated, and that no alteration shall afterwards be made in that assessment, but that they, and their heirs, and lawful successors, shall be allowed to hold their respective estates at such assessment for ever.

VI. *Art. V.*—In the event of the proprietary right in lands that are, or may become, the property of Government, being transferred to individuals, such individuals, and their heirs, and

lawful successors, shall be permitted to hold the lands at the assessment at which they may be transferred for ever.

VII. *Art. VI.*—It is well known to the *zemindars*, independent *talookdars*, and other actual proprietors of land, as well as to the inhabitants of Bengal, Bahar, and Orissa, in general, that, from the earliest times, until the present period, the public assessment upon the lands has never been fixed, but that, according to established usage and custom, the rulers of these provinces have, from time to time, demanded an increase of assessment from the proprietors of land; and that, for the purpose of obtaining this increase, not only frequent investigations have been made to ascertain the actual produce of their estates, but that it has been the practice to deprive them of the management of their lands, and either to let them in farm, or to appoint officers on the part of Government to collect the assessment immediately from the *ryots*. The Honourable Court of Directors, considering these usages and measures to be detrimental to the prosperity of the country, have, with a view to promote the future ease and happiness of the people, authorized the foregoing declaration; and the *zemindars*, independent *talookdars*, and other actual proprietors of land, with or on behalf of whom a settlement has been, or may be, concluded, are to consider these orders, fixing the amount of the assessment, as irrevocable, and not liable to the alteration by any persons whom the Court of Directors may hereafter appoint to the administration of their affairs in this country.

The Governor-General in Council trusts that the proprietors of land, sensible of the benefits conferred upon them by the public assessment being fixed for ever, will exert themselves in the cultivation of their lands, under the certainty that they will enjoy exclusively the fruits of their own good management and industry, and that no demand will ever be made upon them, or their heirs, or successors, by the present or any future Government for an augmentation of the public assessment, in consequence of the improvement of their respective estates.

To discharge the revenues at the stipulated periods without delay or evasion, and to conduct themselves with good faith and

moderation towards their dependent *talookdars* and *ryots*, are duties at all times indispensably required from the proprietors of land : and a strict observance of those duties is now more than ever incumbent upon them, in return for the benefits which they will themselves derive from the orders now issued. The Governor-General in Council therefore expects that the proprietors of lands will not only act in this manner themselves towards their dependent *talookdars* and *ryots*, but also enjoin the strictest adherence to the same principles, in the persons whom they may appoint to collect the rents from them. He further expects, that without deviating from this line of conduct, they will regularly discharge the revenue in all seasons ; and he accordingly notifies to them that in future no claims or applications for suspensions, or remissions, on account of drought, inundation or other calamity of season, will be attended to, but that in the event of any *zemindar*, independent *talookdar*, or other actual proprietor of land with or on behalf of whom a settlement has been, or may be, concluded, or his or her heirs, or successors, failing in the punctual discharge of the public revenue which has been, or may be, assessed upon their lands under the above-mentioned regulations, a sale of the whole of the lands of the defaulter, or such portion of them as may be sufficient to make good the arrear, will positively, and invariably take place.

VIII. *Art. VII.*—To prevent any misconstruction of the foregoing articles, the Governor-General in Council thinks it necessary to make the following declarations to the *zemindars*, independent *talookdars*, and other actual proprietors of land.

First. It being the duty of the ruling power to protect all classes of people, and more particularly those who from their situation are most helpless, the Governor-General in Council will, whenever he may deem it proper, enact such regulations as he may think necessary for the protection and welfare of the dependent *talookdars*, *ryots*, and other cultivators of the soil, and no *zemindar*, independent *talookdar*, or other actual proprietor of land, shall be entitled on this account to make any objection to the discharge of the fixed assessment, which they have respectively agreed to pay.

Second.—The Governor-General in Council having on the 28th July 1790, directed the *sayer* collections to be abolished, a full compensation was granted to the proprietors of land, for the loss of revenue sustained by them in consequence of this abolition; and he now declares that if he should hereafter think it proper to re-establish the *sayer* collections, or any other internal duties, and to appoint officers on the part of Government to collect them, no proprietor of land will be admitted to any participation thereof, or be entitled to make any claims for remissions of assessment on that account.

Third.—The Governor-General in Council will impose such assessment as he may deem equitable, on all lands at present alienated and paying no public revenue, which have been, or may be, proved to be held under illegal or invalid titles. The assessment so imposed will belong to Government, and no proprietor of land will be entitled to any part of it.

Fourth.—The *jumma* of those *zemindars*, independent *talookdars* and other actual proprietors of land, which is declared fixed in the foregoing articles, is to be considered entirely unconnected with, and exclusive of, any allowances which have been made to them in the adjustment of their *jumma*, for keeping up *thanas*, or police establishments, and also of the produce of any land, which they may have been permitted to appropriate for the same purposes; and the Governor-General in Council reserves to himself the option of resuming the whole or part of such allowances, or produce of such lands, according as he may think proper, in consequence of his having exonerated the proprietors of land from the charge of keeping the peace, and appointed officers on the part of Government to superintend the police of the country. The Governor General in Council, however, declares that the allowance, or produce of lands, which may be resumed, will be appropriated to no other purpose but that of defraying the expense of the police and that instructions will be sent to the collectors, not to add such allowances, or the produce of such lands, to the *jumma* of the proprietors of land, but to collect the amount from them separately.

Fifth.—Nothing contained in this proclamation, shall be construed to render the lands of the several descriptions of disqualified proprietors, specified in the first article of the Regulations regarding disqualified landholders, passed on the 15th July 1791, liable to sale for any arrears which have accrued, or may accrue, on the fixed *jumma* that has been, or may be, assessed upon their lands under the above-mentioned Regulations for the decennial settlement, provided that such arrears have accrued, or may accrue, during the time that they have been, or may be, dispossessed of the management of their lands, under the said Regulations of the 15th July, 1791. It is to be understood, however, that whenever all or any of the descriptions of disqualified landholders specified in the first article of the last mentioned Regulations, shall be permitted to assume, or retain, the management of their lands in consequence of the ground of their disqualification no longer existing, or of the Governor-General in Council dispensing with, altering, or abolishing those Regulations, the lands of such proprietors will be held responsible for the payment of the fixed *jumma*, that has been, or may be, assessed thereon, from the time that the management may devolve upon them, in the same manner as the lands of all actual proprietors of land who are declared qualified for the management of their estates, and also of all actual proprietors who are unqualified for such management, by natural or other disabilities, but do not come within the descriptions of disqualified landholders specified in the first article of the Regulations of the 15th July, 1791, are, and will be, held answerable for any arrears that are, or may become, due from them, on the fixed *jumma* which they, or any persons on their behalf, have engaged, or may engage, to pay under the above-mentioned Regulations for the decennial settlement.

IX. Art. VIII.—That no doubt may be entertained, whether proprietors of land are entitled, under the existing Regulations, to dispose of their estates without the previous sanction of Government, the Governor-General in Council notifies to the *zemindars*, independent *talookdars*, and other actual proprietors of land, that they are privileged to transfer to whomsoever they

may think proper, by sale, gift, or otherwise, their proprietary rights, in the whole, or any portion, of their respective estates, without applying to Government for its sanction to the transfer; and that all such transfer will be held valid, provided that they be conformable to the Mahomedan or the Hindu laws, (according as the religious persuasion of the parties to each transaction, may render the validity of it determinable by the former or the latter code,) and that they be not repugnant to any Regulations now in force which have been passed by the British administrations, or to any Regulations that they may hereafter enact.

X. Art. IX.—From the limitation of the public demand upon the lands, the net income, and consequently the value (independent of increase of rent obtainable by improvements) of any landed property for the assessment on which a distinct engagement has been, or may be entered into between Government and the proprietor, or that may be separately assessed, although included in one engagement with other estates belonging to the same proprietor and which may be offered for public or private sale entire, will always be ascertainable by a comparison of the amount of the fixed *jumma* assessed upon it, (which, agreeably to the foregoing declarations, is to remain unalterable for ever, to whomsoever the property may be transferred,) with the whole of its produce, allowing for the charges of management. But it is also essential, that a notification should be made of the principles upon which the fixed assessment charged upon any such estate, will be apportioned on the several divisions of it, in the event of the whole of it being transferred by public or private sale, or otherwise, in two or more lots, or of a portion of it being transferred in one, or in two or more lots, or of its being joint property, and a division of it being made amongst the proprietors; otherwise, from the want of a declared rule for estimating the proportion of the fixed *jumma* with which the several shares would be chargeable in such cases, the real value of each share would be uncertain, and consequently the benefits expected to result from fixing the public assessment upon the lands would be but partially obtained. The Governor-General

in Council has accordingly prescribed the following rules for apportioning the fixed assessment in the several cases above-mentioned; but as Government might sustain a considerable loss of revenue by disproportionate allotments of the assessment, were the apportioning of it in any of the cases above specified to be left to the proprietors, he requires, that all such transfers of divisions as may be made by the private act of the parties themselves, be notified to the collector of the revenue of the *zillah* in which the lands may be situated, or such other officer as Government may in future prescribe, in order that the fixed *jumma* assessed upon the whole estate may be apportioned on the several shares in the manner hereafter directed, and that the names of the proprietors of each share, and the *jumma* charged thereon, may be entered upon the public registers, and that separate engagements for the payment of the *jumma* assessed upon each share may be executed by the proprietors, who will thenceforward be considered as actual proprietors of land. And the Governor-General in Council declares, that if the parties to such transfers or divisions shall omit to notify them to the collector of the revenue of the *zillah*, or such other officer as may be hereafter prescribed for the purposes before mentioned, the whole of such estate will be held responsible to Government for the discharge of the fixed *jumma* assessed upon it, in the same manner as if no such transfer or division had ever taken place. The Governor-General in Council thinks it necessary further to notify, in elucidation of the declarations contained in this article, (which are conformable to the principles of the existing Regulations,) that if any *zemindar*, independent *talookdar*, or other actual proprietor of land, shall dispose of a portion of his or her lands as a dependent *talook*, the *jumma* which may be stipulated to be paid by the dependent *talookdar* will not be entered upon the records of Government, nor will the transfer exempt such lands from being answerable, in common with the remainder of the estate, for the payment of the public revenue assessed upon the whole of it, in the event of the proprietor, or his or her heirs or successors, falling in arrear from any cause whatever, nor will it be allowed in any case, to affect the rights

or claims of Government, any more than if it had never taken place.

First.—In the event of the whole of the lands of the *zemindar*, independent *talookdar*, or other actual proprietor of land, with or on behalf of whom a settlement has been, or may be, concluded, under the regulations above mentioned, being exposed to public sale by the order of the Governor-General in Council, for the discharge of arrears of assessment, or in consequence of the decision of a court of justice, in two or more lots, the assessment upon each lot shall be fixed at an amount, which shall bear the same proportion to its actual produce as the fixed assessment upon the whole of the lands sold may bear to the whole of their actual produce. This produce shall be ascertained in the mode that is, or may be, prescribed by the existing Regulations, or such other Regulations as the Governor-General in Council may hereafter adopt; and the purchaser or purchasers of such lands and his, or her or their heirs and lawful successors, shall hold them at the *jumma* at which they may be so purchased, for ever.

Second.—When a portion of the lands of a *zemindar*, independent *talookdar*, or other actual proprietor of land, with or on behalf of whom a settlement has been or may be, concluded, under the Regulations before mentioned, shall be exposed to public sale by order of the Governor-General in Council, for the liquidation of arrears of assessment, or pursuant to the decision of a court of justice, the assessment upon such lands if disposed of in one lot, shall be fixed at an amount which shall bear the same proportion to their actual produce, as the fixed assessment upon the whole of the lands of such proprietor, including those disposed of may bear to the whole of their actual produce. If the lands sold shall be disposed of in two or more lots, the assessment upon each lot shall be fixed at an amount which shall bear the same proportion to its actual produce, as the fixed assessment upon the whole of the lands of such proprietor, included those sold may bear to the whole of their actual produce. The actual produce of the whole of the lands of such proprietor, whether the portion of them which may be sold be disposed of in one or in two or more lots, shall

be ascertained in the mode that is or may be prescribed by the existing Regulations, or such other Regulations as the Governor-General in Council may hereafter enact ; and the purchaser of such lands, and his, or her, or their heirs or successors, will be allowed to hold them at the *jumma* at which they may be so purchased for ever ; and the remainder of the public *jumma*, which will consequently be payable by the former proprietor of the whole estate on account of the portion of it that may be left in his or her possession, will continue unalterable for ever.

Third.—When a *zeminidar*, independent *talookidar*, or other actual proprietor of land, with or on behalf of whom a settlement has been or may be, concluded, shall transfer the whole of his or her estate, in two or more distinct portions, to two or more persons, or a portion thereof to one person, or to two or more persons in joint property, by private sale, gift, or otherwise, the assessment upon each distinct portion of such estate so transferred shall be fixed at an amount which shall bear the same proportion to its actual produce, as the assessment upon the whole of the estate of the transferring proprietor, of which the whole or a portion may be so transferred, may bear to whole of its actual produce. This produce shall be ascertained in the mode that is, or may be, prescribed in the existing Regulations, or such other Regulations as Government may hereafter adopt ; and the persons to whom such lands may be transferred, and his, or her, or their heirs and lawful successors, shall hold them and the *jumma* at which they may be so transferred, for ever ; and, where only a portion of such estates shall be transferred, the remainder of the public *jumma* which will consequently be payable by the former proprietor of the whole estates on account of the lands that may remain in his or her possession, shall be continued unalterable for ever.

Fourth.—Whenever a division shall be made of lands, the settlement of which has been, or may be concluded with or on behalf of the proprietor or proprietors, and that are, or may become the joint property of two or more persons, the assessment upon each share shall be fixed at an amount, which shall bear the same proportion to its actual produce, as the fixed *jumma* assessed upon the whole of the estate divided, may bear to the

whole of its actual produce. This produce shall be ascertained in the mode that is, or may be prescribed by the existing Regulations, or such other Regulations as the Governor-General in Council may hereafter adopt ; and sharers, and their heirs and lawful successors, shall hold their respective shares at the *jumma* which may be so assessed upon them for ever.

XI. Art. X.—The following rules are prescribed respecting the adjustment of the assessment on the lands of *zemindars*, independent *tolookdars*, and actual proprietors of land, whose lands are or may be held *khas* or let in farm, in the event of their being disposed of by public sale, or transferred by any private act of the proprietor, or of their being joint property, and division of them taking place amongst the proprietors.

First.—If the whole, or a portion, of the lands of a *zemindar*, independent *tolookdar* or other actual proprietor of land, who may not have agreed to the payment of the assessment proposed to him or her under Regulations above mentioned, and whose lands are or may be held *khas*, or let in farm, shall be exposed to public sale, in one or in two or more lots, pursuant to the decree of a court of justice, such lands, if *khas*, shall be disposed of at whatever assessment the Governor-General in Council may deem equitable, and the purchaser or purchasers of such lands, and his or her or their heirs and lawful successors, shall hold the lands at the assessment at which they may be so purchased for ever. If the lands, at the time of their being exposed to sale, shall be held in farm, and shall be put up in one or in two or more lots, they shall be disposed of under the following conditions. The purchaser or purchasers shall receive, during the unexpired part of the term of lease of the farmer, whatever such proprietor shall have been entitled to receive in virtue of his or her proprietary rights, on account of the lands so purchased, and such purchaser or purchasers shall engage to pay, at the expiration of the lease of the farmer, such assessment on account of the lands as Government may deem equitable. The sum to be received by the purchaser or purchasers during the unexpired part of the term of the lease of the farmer, and the *jumma* to be paid by such purchaser or pur-

chasers after the expiration of the lease, shall be specified at the time of the sale; and the purchaser or purchasers, and his or her or their heirs and lawful successors, shall be allowed to hold the lands at the assessment at which they may be so purchased for ever.

Second.—If a *zemindar*, independent *talookdar*, or other actual proprietor of land, whose lands are or may be held *khas*, or let in farm, shall transfer by private sale, gift, or otherwise, the whole or a portion of his or her lands in one, or in two or more lots, the person or persons to whom the lands may be so transferred, shall be entitled to receive from Government, (if the lands are held *khas*,) or from the farmer, (if the lands are let in farm,) the *malikana* to which the former proprietor was entitled on account of of the lands so transferred. Persons to whom such lands may be so transferred, will stand in the same predicament as the *zemindars*, independent *talookdars*, or other actual proprietors of land mentioned in the fourth article, whose lands are held *khas*, or have been let in farm, in consequence of their refusing to pay the assessment required of them under the before mentioned Regulations for the decennial settlement, and the declarations contained in that article are to be held applicable to them.

Third.—In the event of a division being made of lands that are, or may become, the joint property of two or more persons, and which are or may be held *khas* or let in farm, proprietors of the several shares, as the *zemindars*, independent *talookdars* and and other actual proprietors of land specified in the fourth article, whose lands have been let in farm, or are held *khas*, in consequence of their having refused to pay the assessment required of them under the before-mentioned Regulations for the decennial settlement, and the declarations contained in that article are to be considered applicable to them.

APPENDIX C.

Extracts from Colonel Baird Smith's Report on Famine in the North Western Provinces, dated 14th August, 1861.

Fixity of Public Demand on Land.

* * * * *

I believe that the boon of a public demand, fixed for ever, would be appreciated at this time even more heartily, because far more universally, than at that remote period ; for thousands would share, each in his degree, in its benefits now, by reason of the general recognition and record of individual rights, for tens who would have shared then.

It may be supposed that a great sacrifice of public revenue is involved in the concession of a perpetually fixed demand on the part of Government. It is to be observed, however, that (with a single exception to be noticed separately) the recent tendency of the measures of Government has shown a different conviction, and indicated a belief that its interests are best secured, not by general enhancement, but by general lightening of its demand on the land. The latest orders under which settlements now in progress are conducted prescribe a reduction of the proportion of the rent or net produce hitherto appropriated as Government revenue from 66 to 50 per cent. ; and I have no doubt that this is a most wise and prudent step, sure to justify itself before many years pass away. It is scarcely possible indeed that a tax on rent, which, even at its minimum absorbs half that product, and presses exclusively on a single section of the community, can be permitted to increase. The tendency will, I believe, be quite in the opposite direction ; and instead of desiring to raise the moderately assessed to the level of the highest, the best revenue authorities will probably seek to lighten the pressure on the latter : and in this manner, rather than by the converse process, to equalise the burden generally. Such an equalisation would lead to an

universal increase in the wealth of the agricultural classes. The price of land would rise gradually from four or five years' purchase of the Government revenue to 10 or 12 times that standard. Capital would in time accumulate in other hands than those of the native money-dealers, or the scarcely taxed native commercial classes in general. The land would enjoy the benefit of such accumulations, and as a necessary consequence of the increased prosperity of that class which must always be the very core of native society, and with the strength or the weakness of which the social fabric generally must always have the acutest sympathy, trade and commerce and general wealth would not only increase, but, as years passed on, the community must grow stronger and stronger, and the risk of its collapsing under any such calamities as that we are now considering, would gradually become less and less. Assuming, then, that the results of the measure would, in some degree at any rate, realise these anticipations, it seems unreasonable to suppose that an intelligent and powerful Government could fail to participate in them. Its intelligence would direct it to the least offensive and most effective means of sharing in the general prosperity, and its power would insure the fair trial and ultimate success of those means. There would be no real sacrifice, therefore, I believe but, on the contrary, a marked increase, of the public resources, from the creation of the increased private prosperity to which it is conceived that a perpetual settlement of the public demand must lead.

There is one direction, however, in which the sacrifice of the interests of Government does undoubtedly seem to be great under a perpetual settlement, and it is fairly a matter of doubt in how far such a sacrifice is justifiable. All the best revenue officers with whom I have discussed the details of this measure, agree in finding the greatest difficulty in its way in the condition of districts under irrigation from canals executed exclusively at the public expense. If these works had been executed with private capital and by private enterprise, the question would have assumed a very simple and easily managed form. But not only have private individuals had no connexion with them, but the whole

irrigation system has become so intimately, and so inextricably interwoven with the land revenue system, as to be exercising upon it constantly a most vital, and in some respects a most deranging influence. I will limit myself at present to a general description of the way in which these results have been, or are now being produced.

The case then stands thus: Between 1816 and 1860 the Government of India has expended at various times, and on various works designed for irrigation, a sum that may be taken in round numbers at three millions sterling. It does not matter in the least what the actual sum has been; but to make the existing machinery of irrigation as created by Government within the tract of country under reference complete in all its parts, the expenditure would be pretty nearly what I have just stated. This sum has, of course, been paid exclusively from the Imperial Treasury. It is an investment of the funds of the community, and in the results of this investment the community has an unquestionable right to share on fair and equitable terms. Excepting in their capacity as members of the tax-paying body in general, the proprietors of estates watered from the Government canals have paid no portion of the expense of the works, and they have of course no claim more valid than that of their neighbours to the enjoyment of the profits of the works. In a case like this it is impossible to separate the interests of Government and the community. They are in fact identical, and whatever of profit goes to Government, or whatever of sacrifice is thrown upon it, is really the profit or the sacrifice of the community at large. Hence, then the officers employed in settling the land revenue have invariably asserted the right of Government to exact a higher revenue than usual from estates benefiting by irrigation from canals constructed solely at the public cost. They refuse to recognise rights due to purely accidental vicinage to canals. The users of canal water pay a small water-rate to the canal officers, and the revenue thus realised is the only revenue which appears in the accounts of the Irrigation Department. But it is an utterly fallacious index of the true profits derived from the canals, inasmuch as the settlement officer has absorbed into

the land revenue a large proportion of true canal profits. Hence arises the interweaving of the two systems to which I formerly alluded, and hence, too, the influence which these estates, having water without enhancement of price through long settlement periods, exercise in deranging the general economy of the settlement system.

* * * * *

When the causes of such derangements operate over vast areas, as they have now begun to do, they must revolutionise the action of the general principles of the settlement, and modify vitally the relations of the land to the public demand. The variation is not, of course, nearly so marked when the revenue is thrown on the whole cultivation, and is not perceptible at all when measured on the total area of the estate. Canal irrigation is the great cause of disturbance, and it must be admitted that the scale of its influence gives its claim to most careful consideration. The possession of it implies, that estates which paid in 1840-41 a gross revenue to the State of Rs. 27,699 continue to pay the same, while the value of their annual produce has risen from Rs. 73,850 to Rs. 1,40,114 or very nearly doubled.

* * * * *

The rental of the estates has increased 130 per cent., and out of this increased rental the Collector proposes, in these instances, to take for increased Government revenue an average of 40 per cent. Under a perpetual settlement, of course no such increase would be taken, or, in other words, the canal villages, assuming them to have paid revenue rates of Rs. 1-1-3 at settlement on their total cultivated areas, would have had them reduced now, by no special efforts of their own, to Rs. 0-10-5 per acre, their neighbours still continuing to pay the superior charges.

It is, of course, impossible for any race, or tribe, or clan, whatever its hereditary feelings or habits may be, to resist such fascinations as these, and the prospect of so doubling or more than doubling profits, while taxes continue unaltered, is an

irresistible inducement to industry. Be the cultivators good or bad, they are sure to yield to the inviting prospect ; and while the one indefatigably extend their careful culture, the other break up their ancestral jungles, and plant wheat where of old they pastured stolen cattle. I have repeatedly in my own limited experience, turned tracts of country notorious for the lawlessness of their people, into broad sheets of cultivation, by the simple expedient of running irrigation channels through the hearts of them.

While, therefore, some objection may be taken to the disorganising influence of extensive canal action on revenue relations, and while I may admit the force of this objection as bearing on the conversion of prolonged into perpetual settlements, I believe that due consideration should also be given to its strengthening and progressive tendencies. I have already likened these rich tracts, secure against the fluctuations of season, and filled by a prosperous people, to the bars and bonds that hold material structures together ; and our experience of the famine of 1860-61 is certainly full of proof of the justice of the comparison. I have not seen, in my own experience, much display of those feelings of discontent and dissatisfaction with the good fortune of their neighbours which people in districts as yet unsupplied with canal irrigation are said to feel. I have even been told by some that such irrigation is regarded within and without canal districts as rather more of a curse than a blessing ; while again I have learnt from all who have lately seen the action of the system, and have been able to judge for myself, that its influence for good is, in fact, beyond all gainsaying. It is at the same time right to make it known, that importance is attached to the disturbing influence under reference, by most of those to whose judgment and experience on such points I willingly defer with respect and confidence. I have accordingly given much anxious thought to the working out of plans whereby the influence of canal action may be made compatible with a perpetual settlement of the land revenue, and I am confident that this result may be attained without serious difficulty. My conviction of the expediency of fixing the public demand in perpetuity is quite un-

affected by the peculiar position of districts having canals of irrigation executed solely at the cost of the Government within their limits. Even if it were necessary to omit the strips of country so situated for a time from the perpetually settled tract, it would be better to do so than, by reason of the existence of these zones of irrigation, to deny the great and strengthening boon to the tract in general. I trust to be able to prove that the first alternative is altogether unnecessary, but I have no hesitation in declaring my preference for it, should the proof fail, over the existing system of progressive enhancement of the land tax, even though at long intervals apart.

The objection just dealt with has other aspects, and there are additional reasons against pressing it too far. If so pressed, it would paralyse all material or administrative improvements likely to produce inequality in the social status of different classes of the people. If such inequality produced by imperial canals is a mischief to be abated only by the periodic sweep of the collector's measuring chain over the land, why except like inequalities due to imperial railways or roads? We know that the vicinage of these is as sure to produce them as the vicinage of canals, though the process may be not so speedy, or the results so soon measurable. Why, too, except natural difference tending to the same end, class industry, class thrift, and other qualities whose influences are self-evident? It is undeniable that the ultimate tendency of a perpetual settlement, with the stimulus it gives to action, the scope it allows to capital, the fair play it secures to capacity for business, and so on, is to establish and consolidate gradations in society. Is this really any objection to it? I cannot help thinking, for my own part, that it is one of the best promises the scheme possesses, for it promises to correct gradually and naturally, without shock or injustice, social laws and customs, which, like those of inheritance, for example, tend to perpetuate poverty and administrative policies, which, though sanctioned by loved and respected names, and growing out of pure and high principles of humanity and good will, have yet been injurious and weakening in their influences on society.

It will be understood, then that, in advocating a perpetual settlement of the public demand on the land as a means of strength and growth to the community in the famine tracts, I contemplate no interference whatever with existing rights in the soil. The full enjoyment of these is guaranteed to their proprietors by the most solemn and repeated sanctions. But I anticipate that, under the free action of the laws which mould and form societies, much, if not all, that is obstructive and objectionable in the influences of these rights will gradually disappear. The steady gravitation of capital to the land, of which the evidences are already unquestionable; the tendency to aggregation rather than a minute subdivision of the soil, of which proofs are discernible; the growth of wealthy communities, such as I have indicated in speaking of the influences of canal irrigation, with many other points, all indicate the direction in which society is moving; and I am sure that, such being the case, the safest and best policy as regards its internal action is simply to leave it alone, and let it assume its natural forms and conditions, with the smallest amount of external interference that is consistent with good and efficient administration. Sudden or magical strides in improvement are neither expected from fixity of demand nor are they possible. But that the principle is sound and its action satisfactory have been proved by thirty years of trial. The time for the next step in advance is, therefore, now believed to have arrived, and what is expected from its adoption, is only an acceleration of that growth and progress of which, I believe, I have given sufficient proof, and a steady though more rapid strengthening of the community in its most vital relations to resist such calamities as have lately swept over it, and must be expected to sweep over it again.

It seems scarcely necessary to notice an objection so little likely to have serious weight as that the people do not care for having the public demand on their land fixed in perpetuity. Yet, as this objection has been not unfrequently stated to me, I may say that we have excellent authority for believing they earnestly wished it fifty years ago; and all the native evidence I have been able to gather leads to the conclusion that this desire has not

lost its force now. It is not in human nature that it should do so. Each man can, perhaps, best settle the matter by asking himself whether he would prefer a periodical variation of even a reasonable demand on his property, to the same demand fixed and known for ever, or if he would be indifferent to the prospect of obtaining the latter. I believe that native society would regard it as a precious boon and such, it seems to me, must be the conclusion come to, under the ordinary action of common feelings and common sense.

APPENDIX D.

Minute by W. Muir, Esq., Senior Member of the Sudder Board of Revenue, on the expediency of forming a Permanent Settlement of the North Western Provinces; dated the 5th December, 1861.

Fixity and perpetuity of tenure not involved in the discussion.—

In discussing this question, it seems expedient at the outset to clear away a misapprehension which I have found frequently to exist. It has been urged that a perpetual settlement is needed in order to give a permanent proprietary tenure. This, however, is not the case. Perpetuity of proprietary tenure is not only quite compatible with an assessment liable to revision but it actually does exist in as full and perfect a form throughout these Provinces as it would have done, had the settlement from the first been permanent. The title by which proprietors hold land in Benares or Jounpore, under a permanent assessment, is in nowise better, *as regards perpetual fixity*, than it is in Azimghur or any other temporarily settled district. In respect of the limitation of the Government demand, the right may be more valuable in the former than in the latter; but in respect of permanency of title there is absolutely no difference in value whatever.

2. The grand distinction between the state of *property* as such, in these Provinces and in Bengal, is that, in the latter, the persons with whom Government entered into engagements at the permanent settlement were recognized as absolutely and exclusively the proprietors, although they were very often in reality only sharers or part proprietors in their estates. In these Provinces the errors in the recognition of proprietorship that were committed in the early settlements have been held liable to amendment, and subsequent detailed investigations, under judicial powers conferred for the purpose, have ascertained and fixed the

proprietary right in those individuals who, by the prescriptive exercise of proprietary functions, were entitled to be so recorded.

3. The errors committed in Bengal were, however, by no means errors necessarily inherent in a perpetual settlement of the land revenue. The revenue demand might have been declared perpetual, without making the Government to guarantee proprietary titles according to a faulty and deficient registration. The two operations in a settlement, *viz.*, assessment of the demand and record of proprietary and other rights, are ordinarily performed together, but they are essentially independent of one another. The perpetuity of the demand was not therefore, in itself, a reason why the errors of proprietary registration in Bengal should not have been amended by subsequent measures, nor is it any defect in the proprietary titles in these Provinces, that they have been ascertained and recorded prior to a permanent settlement.

4. It is clear, then, that in these Provinces, as the rights of property have been carefully ascertained and recorded, the title thus secured is quite as fixed and permanent as any title in Bengal, with the additional advantage of being the rightful title, that is to say, a title in close accordance with prescriptive possession.

5. Whatever benefits, therefore, a permanent settlement may bring with it, security and perpetuity of title must be left out of the account; and it does not appear in what respect "the tenure of land" in these Provinces could be improved by any fresh "Legislative sanction," as appears to be contemplated by the Government of India, in the case of such districts as may be continued under temporary settlement.

6. I proceed, then, to consider the question of a permanent settlement on its own merits.

7. As the advantages of such a settlement have been very forcibly stated by the late Colonel Baird Smith, C. B., so the disadvantages have been ably argued by Mr. Keene, in a pamphlet which I have just received from him, and which I place with this Minute.

8. *Disadvantages of a permanent settlement* :—They may be reduced to the following :

1st. The Government shuts itself out for ever from its legitimate share in the profits arising from the extended cultivation and increased productiveness of the soil.

2nd. It divests itself of the ability of re-adjusting its revenue according to the altered value which in the progress of time different localities often assume towards one another, or to the altered prices which, in the lapse of ages, may affect the produce of the whole country.

9. There is no question but that the stimulus to agriculture imparted by the protection of our Government and the security of long settlements would, even under the present system of periodical assessments, cause in the next 30 years (as they have caused in the past) a vast extension and improvement of agriculture. We have the example of Goruckpore in point. The incentive to exertion produced by a fixed assessment for 30 years has been so strong as to secure a prodigious reclamation of waste land, so large indeed that, even at the lowered standard of present assessment, in that single district an increase of some eight lakhs of rupees, or about 40 per cent., on the former demand is expected under the settlement now in progress. The Government, as part landlord, is entitled to its share in this increase. Property in the temporarily settled districts exists (it is argued) with this as an essential condition of its existence. To confer the exclusive advantage to be derived from its share in the increased assets on any set of proprietors, is simply to enhance the value of their property by alienating a profitable right of Government, without any equivalent, and at the expense of the other portions of the community, on whom will fall the burden of making good the prospective loss thus created.

10. The same argument applies with still greater force, as has been shown by Colonel Baird Smith, to those tracts of country where the increase of the cultivated area, and of the value of the

produce, is the effect of Government works of irrigation. Here the increase is the result of expenditure of capital, not by the proprietor, but by the Government or in other words by the community at large; and the Government's title to share in the increased profits is thus doubly stronger than in the case before supposed.

11. Further, in the lapse of time, vicissitudes take place. One portion of the country under the influence of new lines and facilities of traffic becomes prosperous, another by the desertion of old routes and modes of communication sinks in the national scale. The latter cannot now bear the revenue demand, which it formerly discharged with ease; the former has a surplus of profit greatly disproportionate to the standard at which its settlement was framed. The adaptive character of our present system enables us here to balance periodically the burdens of the State. Those who have prospered through the force of circumstances are assessed (according to the known and essential conditions of their tenure) at a moderate proportion of their increased profits, and from the same source the Government is enabled to remit a suitable proportion of the heavy assessment which may be bearing down the less fortunate tracts. Where the assessment is perpetually fixed, it will be impossible to afford the relief which such vicissitudes render imperative without a clear loss to the Government. Instead of periodical equalisation of uneven assessment, there will be the hazard of remissions being required with no fund of equivalent increase from which to meet them.

12. This is a point Mr. Keene has laid much stress upon as an argument for *postponing* the permanent settlement in these parts, for he says that we are in a state of transition, and that when new lines of traffic, new emporia of trade, and new systems of irrigation, have declared themselves, "we may then admit that the time has come for a permanent settlement." But it appears to me that this argument, if pressed to its legitimate limit, would defer to so indefinite a future the whole question as to be virtually a negative of a permanent settlement altogether.

13. So also with the question of prices. It would be impossible at any future period to say that prices had reached a

limit beyond which they will not rise. In certain quarters, indeed, such as Jabbalpore, which are at present far removed from any general market, it may be a question whether the demand should be made perpetual until the effect of the opening of the new communications now under construction has fully told upon the prices of its agricultural produce. But in respect of the greater portion of these Provinces, it may be doubted whether the tendency will not be rather in the opposite direction; for districts at present remote will, by the extension of railways, be brought into nearer competition with its markets, and the effect will be to lower prices. So far, then, as this argument likewise is concerned, its legitimate conclusion is not so much to postpone a permanent settlement as practically to reject it.

11 The only remaining point for consideration is one which may be thought too recondite and theoretical for any practical weight. But the Government, before it irrevocably commits itself, is bound to keep in its view all the contingencies and possible future effects, however remote, of a step which will affect so large a portion of its existing revenues. It is quite possible, then, that silver may in a future age greatly fall in value. The prices of all other commodities would correspondingly rise, and the expenses of Government, both in its general expenditure and in the salaries of all its *employes*, would be increased in a similar proportion. Meanwhile, the income derived from the land reveue would remain stationary; or, rather, it would suffer an actual deterioration, measured by the fall in the value of the metal in which it is paid. Supposing the fall of value to be one fourth, then, for every 100 rupees of revenue as originally fixed, Government would receive the value of only 75 rupees. The effect would be the same as if the proportion of profit assigned to proprietors were increased 25 per cent., or if the proportion of produce representing the share of Government were decreased by that amount. So far as the discharge of liabilities arising from the existing Government debt is concerned, there would be no inconvenience, as these, being contracted in the same currency, would suffer an equal depreciation. But in other respects any great

revolution of the kind contemplated might prove embarrassing to the Government of the day.

15. Under the principle of temporary settlements, it would be always in the power of Government to re-adjust its demand, either by the addition of a percentage corresponding to the altered value of the currency or otherwise. How far the advantage of being able to exercise this power would warrant any practical action will be further considered below.

16. *Advantages of a permanent settlement* :—I pass on now from the objections against a permanent settlement to the advantages which it offers.

17. First, as respects the directly financial results, there would be the saving of the very material expense incurred by the Government in the periodical revision of its demand. To enforce any satisfactory equalisation of the assessment, a detailed field measurement from time to time becomes necessary; and this process is especially required in all those tracts in which it is contemplated to assert the right of Government to an enhanced revenue based on the extension of agriculture. This operation, and the measures attendant on it, cannot be carried on without considerable expenditure of the public money. In the present year it is estimated that between four and five lakhs of rupees will be spent by Government on this object, and an equal, if not greater, amount will probably be required for many years to come, before the 30 years' settlement now expiring shall have been revised.

18. A permanent settlement once introduced, would free the Government for ever from this expenditure, and the saving may be taken, so far as it goes, as a set-off against the potential increase of revenue under the present system which will be abandoned.

19. In a similar manner, the people themselves will be saved from the expenses, exaction, and oppression to which at every re-settlement they are liable. I cannot regard this a light advantage. Let our settlement officers be ever so active and vigilant, the subordinate agency at their disposal is, like all other native

agency, generally speaking, venal and corrupt. They have opportunities of misrepresentation to injure the zamindars and ryots, and to favour one party or class at the expense of another, and they are not slow to turn their opportunities to account. Their time is short, and they make the most of it. This species of tyranny is, I believe, in no case wholly absent; and in most settlements falls heavily on the people. It would be totally swept away by permanent assessment to the great relief of all classes.

20. It may be urged, on the other hand, that the present advantage of a periodical detailed survey, and the ascertainment and record of all landed rights as they stand, will be lost to the inconvenience of the people and the detriment of the public administration. The outlines of possession are liable to alter greatly in the course of 30 years; the limits of cultivation vary, and changes occur in the distribution of property and of the rights of occupancy. Without a new field-measurement, no full and complete registration of these can be compiled; the rapid variations arising in the lapse of time soon leave the old record behind; it no longer corresponds with existing facts, and becoming obsolete loses its value. That some benefits of convenience, of usefulness may be thus given up is possible; but the loss, whatever it may be, can in some degree be repaired by requiring of the Putwarees that their annual record shall keep pace with the changes of the year. And if care be taken at the final settlement (which I presume will precede any measure of perpetuity) to make the survey and record of occupancy and rights very complete, I do not see why these documents should not be kept up in a manner sufficiently perfect for all practical purposes. But giving the objection its utmost weight, it will go but a short way to counterbalance even the minor advantages of a permanent settlement referred to in the previous paragraph.

21. Looking now to the benefits which may be anticipated in the improvement of property, I notice first the periodical check which the prosperity of the country receives under the present system whenever a settlement approaches near its termination. As the assessment of the coming settlement is to be fixed in reference to the extent of cultivated area and value of the produce,

it is the natural object of every proprietor to make these appear as small as possible. Hence not only is the expenditure of capital on new improvements stayed, but the state of existing prosperity is actually depreciated. The proprietor refrains from cultivating the usual breadth of crop; he narrows the area of land under irrigation; he postpones the sowing of valuable staples. It is quite natural that he should do so. The present sacrifice will be amply made up, if even a small diminution of the Government demand is thereby obtained. Penalties are threatened for such procedure; but so long as human nature is what it is, penalties will be fruitless, and every fresh settlement upon existing assets will tend to this result.

22. Leaving out of view the few last years of a temporary settlement, it must be admitted that the effect of a determination of the assessment for twenty or thirty years has been found eminently beneficial in insuring improvement. Colonel Baird Smith's Report bears ample testimony that it is so; almost every district in these provinces is an unequivocal witness to the same truth. The security of a long settlement stimulates industry and encourages the expenditure of capital, for the profits of the period are certain to replace the capital, and to yield a handsome return besides. But it is also certain that the inducements to investing capital in the improvement of the land would in most cases be very greatly strengthened by fixing the demand in perpetuity. When any large disbursement is now contemplated, it is perfectly natural for the proprietor to hesitate. He will reflect whether it is, after all, worth his while to sink 1,000 rupees, say in a well, which shall add 200 rupees to his rental, seeing that in consequence of this increased profit, he may be sure that at the next settlement 100 rupees will be added to the assessment of his estate. Had the settlement been permanent, there would in such a case have been no doubt about the matter; where the settlement is temporary, the project is in all likelihood cast aside.

23. The inexpediency (if not, under some circumstances, injustice) of such a course has not escaped notice. The late Court of Directors ruled that a liberal consideration was to be given for all improvements effected at the expense of the occupant,

especially recent improvements, "with regard to which he has reaped the advantage only for a short period." The 37th Rule for re-settlement, issued in 1854, contains a still stronger injunction to make allowance for the expenditure of capital, and to assess a correspondingly moderate jumma. But it is evident that the principle prescribed by the late Honourable Court is of too vague a character to effect any certain results; and even the rule issued by the Board must prove practically inoperative so far as security to the landlord is concerned. It would be a matter not of exact calculation, but of mere speculation, what portion of increased productiveness was attributable to the investment of capital; and generally the assessment of an estate is affected by so many considerations, and depends so greatly on the *opinion* of the settlement officer, that the rule, as a ground of confidence in the future, could afford to proprietors no practical satisfaction, and is not calculated to diminish that uncertainty of reaping the full results of labour and capital which is the bane of all temporary settlements.

24. Some parts of the country, as those regions in Bundelcund which are incapable of irrigation, may be less affected by this consideration than others; but even there advances must be expended for the settlement of new cultivators, the digging of wells for drinking water, the provision of seed, and other conditions necessary for founding fresh hamlets and extending cultivation. There is probably no part of these Provinces in which the impulse imparted by a permanent settlement would not be felt, where investment of capital would not be materially quickened.

25. It is true that great allowance must be made for the habits of the people. Motives of this kind will have their full and legitimate influence upon European settlers; but the natives of India are disposed "to leave well alone," and to keep to the old ruts which the usage of ages has sanctioned. Accordingly we do not find such great difference in the progress of the four permanently settled districts in these Provinces as we might have looked for, although the inducements to invest capital from the limitation in perpetuity of the Government demand have been for more

than half a century in full force there. Nevertheless, even if we take into our account the prescriptive indifference and immobility of the national character when ordinary motives are concerned, it would still be against reason, and against the experience of other parts of the country, to hold that so vital a change as the fixing for ever of the present shifting assessment should not produce the most important results.

26. For it is not doubted that the value of property would be vastly increased by such a measure. Nasir Ally Khan Bahadur (who, being a resident of Jounpoor, is a good authority on the subject) assures me that an estate would sell in a permanently settled district at from two to three times the value it would fetch, though in every other respect similar, if under temporary settlement. Where the superior value of a permanently settled estate is so decidedly recognised by the people themselves, it is against all analogy to suppose that the disposition to invest capital in its improvement will not likewise exist in a corresponding degree. Therefore I do not doubt that a great and accelerated improvement of property would result from a permanent settlement of the revenue.

27. The political benefits, moreover, to be looked for from the measure are not small. A degree of contentment and satisfaction will be diffused over the land which it is not easy to estimate.

28. Opinions, indeed, on this head have been sometimes expressed in extravagant terms. The comparative immunity of Baugul from revolt in 1857-58 has by some been attributed in part to this cause. Experience refutes the conjecture. In these provinces, the quarter in which the people continued longest and most persistently to oppose our Government, was that of Ghazee-pore, a permanently settled district. The truth is, that the inducements to revolt were, to a great extent, local in their character; they were brought to bear in their full strength on hardly any part of Baugul; but where they were brought to bear, as in the case of Shahabad, the permanent settlement was as powerless to hold them in check as the temporary settlement.

29. But though by no means inclined to attribute any such magical effect to a settlement in perpetuity of the land revenue, I am well assured that the measure would be hailed with intense satisfaction by the landholders in these provinces. I was not aware till lately how strong is the popular feeling on the subject. Indeed, it is only of late that the attention of the landholders has (I suppose in consequence of its discussion during the last two or three years in the public prints) been recalled to it as a measure at all likely to be introduced. But (in the Lower Doab at least) they have quickly become accustomed to the idea, and are prepared to welcome the boon whenever it may be conceded.

30. To resume : the benefits to be expected from a permanent settlement are :—

1st. Saving of the expenditure now occasioned by the necessity of periodical assessment.

2nd. Deliverance of the people from the vexations prevalent at every re-settlement.

3rd. Freedom from the tendency to depreciation of property towards the close of each temporary settlement.

4th. Prosperity arising from increased incentive to improvement and expenditure of capital.

5th. Greatly increased value of landed property.

6th. Content and satisfaction among the people.

31. To these it has been suggested to add the saving to Government from the decrease of expenditure in the subordinate establishment required to collect the revenue. The revenue will certainly be realized with greater ease ; yet I doubt if much direct saving of salaries can be anticipated from this cause. The Tahseeldar and his staff will have more time to devote to their judicial and other duties. Indirectly also, savings in the higher branches of the service may be facilitated by the measure. For example, when the settlements, preliminary to the act of perpetuity have all been completed, a single officer may probably suffice to conduct the duties of this Board.

32. Let us now revert to the objections brought against a permanent settlement, and see how they stand in comparison with the advantages.

33. First.—The net surplus of revenue to be looked for at each revision from the growing prosperity of the country, after adjusting all necessary fluctuations, is abandoned for ever. I do not estimate the prospective revenue which will be sacrificed from this cause at any very large figure. The opinion of our Board in the Administration Report for 1859-60, that the amount of land revenue is not likely to vary to any great degree from its present amount, is, I believe, correct.

34. This estimate, however, was formed on the supposition that the Government would retain the power of periodical re-adjustment, and would be able to reimburse itself for reductions arising from calamity and deterioration, by levying an increase where it was justified by increase of assets. The calculation will of course be affected by the relinquishment of that power. Any variations which may become necessary under a perpetual assessment will be only on the side of reduction.

35. But neither do I calculate reductions from this cause at any very serious amount, if the precaution be taken (which I will endeavour to show below is necessary) of a careful revision of the existing settlement before it is declared to be perpetual.

36. The special cause of increased productiveness arising from Government works of irrigation I reserve for further consideration.

37. There remains the contingency of a future fall in the value of silver. This contingency might be met, as well as other objections above urged (according to some authorities) by a very long settlement, say, 50, or even 100 years, which would secure many of the benefits of perpetuity, and yet leave the Government free to assert its rights, should it deem it expedient in a future generation; or a legislative enactment might reserve and except the contingency of the fall of silver from the guarantee of perpetuity. The merits of such expedients will be treated of in a future part of this paper. Supposing, however, that no such expedients,

are found to be feasible, I do not think that the remote risk contemplated from this cause can be allowed to weigh against the immediate benefits to be expected from a permanent assessment.

38. Although no increase of income from the *land tax* will for the future be possible, yet other branches of the revenue will not fail eventually to share largely in the benefits flowing from the accelerated progress and increased prosperity of the country. This is a sufficient reply to the objection that those who call upon the Government of India to forego the power of raising, without oppression, an elastic description of revenue, are bound to indicate the sources whence it could be made good. It must be remembered *that no present loss* of revenue is incurred (that is, if a careful revision precede the measure); the loss is one which, it is apprehended, will happen some 30 or 40 years hence. But by that time we may fairly look for a far greater enhancement of the revenue from the indirect return caused by the vastly improved resources of the country than could have been obtained from the taxation of a portion of the increased rental anticipated from the extension of agriculture.

39. Allowing, then, the widest scope and fullest consideration to all the objections which can be urged against departing from the established system of temporary settlements, the advantages of a settlement in perpetuity appear to me vastly to outweigh them all, and I most decidedly advocate the measure.

APPENDIX E.

Opinion recorded by the right Honourable Sir John Lawrence, Bart, G. C. B., K. S. I.

* * * * *

10. * * * A large revenue, under the most favourable circumstances, we shall always be compelled by our necessities to exact from India ; may we not, however, manage so as to collect it, and yet give great encouragement to the application of capital for the improvement of land ? I believe that these objects can be effected by gradually granting throughout British India a perpetual settlement of the land revenue.

11. I consider that such a measure would produce great political results, while, if it were not financially beneficial, at any rate it would entail no appreciable loss on the state, and would prove a much greater boon to the mass of the proprietors than the power of redeeming their assessments. While the land revenue of India is, as I have said, one of the most ancient institutions of that country, under all the Native Governments of which I have any knowledge, it has been more or less a grievous burthen on the agriculturists, and the only mode by which this pressure was alleviated was by special alienations of it, in whole or in part, in favour of particular families or individuals.

12. In the different provinces that we have acquired up to, perhaps, the last 30 years, the land assessment, though fixed at more moderate rates than under native rule, was still very high, and absorbed too large a proportion of the produce. From time to time it has been found necessary to make large reductions ; but the principle of all late assessments has been much more moderate. The settlement of the north-west provinces, which began in 1834 and was scarcely finished in 1842, was made on that principle. In the Trans-Sutlej territories, which we acquired after the first Sikh war in 1846, and in the Punjab proper, which was annexed after the second Sikh war in 1848, all the

land settlements were concluded on similar, or even on still more favourable, terms. The reduction on the old assessment varied in different districts from twenty to even fifty per cent. I attribute the subsequent peaceful and loyal conduct of the population mainly to that policy. It is on the well-being and contentment of the people of the soil that peace and order in India mainly depend. They are the sinews and marrow of the physical power of the country, and no policy which does not tend to the improvement of their condition will, in the long run, prove advantageous to our rule.

13. I could adduce many circumstances in support of these views, but I will content myself by giving one. The mountainous country of Hazara, on the north-western frontier of the Punjab, is inhabited by Mahomedans, fanatic, turbulent, and predatory. It is full of petty chiefs who may be said to have been nurtured in deeds of rapine, violence, and bloodshed. For 30 years previous to our rule in the Punjab, that district had been the scene of war and devastation. A narrative of the outrages inflicted on the people by the Sikhs, and the cruelties practised by the inhabitants on the latter, would fill a volume. The Sikh Government could only maintain their hold of Hazara by means of eight and ten regiments at a time; and the commencement of the first Sikh war with us was the signal for a general insurrection. Shortly after annexation, we reduced the assessment in Hazara more than one half, and held it with two battalions of infantry and a couple of mountain guns. I do not mean to assert that other conciliatory measures were not adopted; such, indeed, was the case; but the great policy which ensured contentment, peace, and prosperity, was the light pressure of the assessment. We could not, of course, afford to give up generally so great a portion of the revenue in India; but it is impossible to doubt that there are great political advantages in such a policy. A perpetual settlement, founded on a light and equitable assessment of the land, would, it must be obvious, be very popular, and most advantageous to the great mass of the agriculturists.

14. Against such a settlement of the land assessment, it has been urged that it is a suicidal policy to limit the amount of revenue derivable from the land when we cannot limit our expenditure, and find much difficulty in devising any sources of taxation to which there are not great objections. Further, it is urged, with much force I admit, that India has made rapid strides in prosperity under the present system of long leases, which afford ample time for the accumulation of capital, the extension of cultivation, and the introduction of superior kinds of produce. Much weight is due to these arguments. Nevertheless, I have no doubt but that a perpetual settlement of the land revenue has advantages superior to those which attach to long leases, provided that the measure be limited to those estates which are in a suitable condition for such arrangements. By these terms, for instance, I mean that whenever three-fourths, or even two thirds, of the land has been brought under cultivation, provided the proprietors are willing to accept equitable conditions, a perpetual settlement of the land revenue should be allowed.

15. I recommend a perpetual settlement, because I am persuaded that, however much the country has of late years improved, its resources will be still more rapidly developed by the limitation of the government demand. Such a measure will still further encourage the investment of money in the land, and will give still greater security to the land revenue itself, which, in years of great calamity, occurring every now and then, has suffered largely, though the loss has been more or less of a temporary character. It is also very desirable that facilities should exist for the gradual growth of a middle class in India, connected with the land, without dispossessing the present yeomen and peasant proprietors. There are many men of much intelligence, spirit, and social influence among those classes, who are yet so poor that they find it difficult to maintain a decent appearance. It is no remedy for this state of things to confer great and exclusive benefits on a few individuals, especially when these very benefits are conferred at the expense of the rest of the community. What is really wanted is, to give the intelligent, the thrifty and the enterprising among them, the

opportunity of improving their own condition by the exercise of such qualities, and this can be best done by limiting the public demand on the land. When such men acquire property and are in a thriving state, they are almost certain to be well affected to the Government, and will use their influence, which will generally be considerable, in its favour. Feelings of race and religion have great influence on the people of India, but love for their lands has still greater. Thousands, probably millions, of the people of Northern India, the most warlike of its races, are descended from ancestors who gave up their religion to preserve their land. It is on the contentment of the agriculturists, who form the real physical power in the country, that the security of British rule, to a large extent, depends. If they are prosperous, the military force may be small, but not otherwise.

16. No doubt, if a permanent settlement of the land revenue be at once generally ceded, without reference to the condition of the country, the loss will be considerable. The owners of all lands lightly or moderately assessed will accept the offer, while those less advantageously situated will refuse, and ask for reduction. In such provinces, for instance, as the Punjab, Oude, Nagpoor, the Saugor and Nerbudda territories, the larger part of the country is quite unfit for such a settlement. But of course where estates are cultivated up to the point which it may be expedient to fix, their proprietors should be allowed a fixed settlement.

17. In the North-West Provinces, fully five-sixths of the landed estates or town lands into which the country is divided would be found ripe for a perpetual settlement; indeed whole districts are, no doubt, in this condition. In all such cases, no present or prospective loss of revenue would arise from the measure. It has been urged that Colonel Baird Smith's reports prove that full eight millions of acres in the North West Provinces are still uncultivated. Much misapprehension has arisen from this statement. The real fact is that, certainly not less than one-eighth of this land, and, probably nearer one-fourth, would be found to be actually unculturable, or, at any rate, not worth the expense of being broken up. Moreover, the greater portion of the remainder consists

of pasture lands on which the people pay some revenue ; and such land, to a considerable extent, is necessary for the support of their cattle. If all such land was broken up, cultivated, and brought under full assessment, the people would have to supply themselves at great expense with forage, regularly cultivated and grown for the purpose, and thus necessitate a certain abatement in the rate of assessment.

18. My experience in the settlement of the land revenue in India was, that, as a rule, no increase worth consideration used to arise on the revision of the assessments where an estate had been, in the first instance, fully cultivated. And I have little doubt but that this would prove the case generally on the next settlement in the North West Provinces. On the other hand, a very considerable increase would arise after the expiration of a long lease, where much of the land had been waste, even after making every allowance for the claims of the proprietors. Such was the case, especially in the last revision of assessments, in the district of Gorukhpore. To prevent then any serious loss of revenue to the State, all estates not already permanently settled should be subjected to revision as the present leases approach conclusion ; and the assessments then fixed might be made final, subject to the conditions noted in paragraph 14. And, in like manner, as other estates attained those conditions their owners would become entitled to similar limitations of the government demand. The settlement of the land revenue would thus be carried out by degrees in a term of years without any appreciable loss to the State.

19. Further, it may be observed that, although it will always be wise to maintain the land revenue in its integrity as the mainstay of the State, there can be no valid reason why India should not yield a considerable revenue from indirect sources, though it cannot reasonably be hoped that such revenues will suffice to replace the land revenue, if once given up or largely reduced in amount. On the contrary, a moderate and fixed demand on land by stimulating industry will gradually but certainly, enable capital to be accumulated, and give the agriculturists the means with which to purchase taxable articles. There can be little doubt but that much of the

increase which has arisen from such taxation of late years has been thus created. In the Punjab, the general relief which the country obtained by the reduction of the excessive land assessment and the abolition of the numerous duties in the shape of town octroi, transit duties, and import and export duties, enabled the people to pay an additional excise on salt. The income from that one source of revenue gradually increased from about £ 40,000 per annum in 1848, to upwards of £ 200,000 in 1858, while the duty itself was only raised 25 per cent., viz., from 3s. on the maund of 80lbs. to 4s.

20. Again, I would observe that by giving the country a perpetual settlement of the land revenue, after careful inquiry and scrutiny, the expense of future surveys and assessments, which invariably cost a large sum, is saved to the State. Such a work, even though it comes round only once in thirty years, extends over several years before it can be completed; it occupies the time of many of the most promising and experienced of the civil officers, whose services can be ill spared from the general administration; and, under the very best arrangements, it is always more or less harassing, vexatious, and even oppressive. The work can only be accomplished with the aid of large establishments of native ministerial officers, who have great opportunities for peculation, extortion, and other abuses of power. Moreover, as the period of inquiry approaches, the agriculturists, with the view of evading a true estimate of the qualities of their lands, throw much land out of cultivation; they cease to grow the most profitable kinds of crops; they allow wells and water courses to deteriorate, and the like. Such practices are equally, perhaps more, damaging to themselves than to the State, but they tend to keep back the improvement of the country.

21. It seems to be an impression that one of the effects of a perpetual settlement will certainly be that the land in India will gradually change hands, and that the money-lenders will supplant the people of the soil, and reduce them to the position of mere labourers on the lands of their ancestors. Did I believe that such was likely to be the case, I should be strongly opposed to

such a measure. But I cannot myself perceive any danger of this coming to pass. Nearly all the classes of the agriculturists of India of whom I have had any experience have been careful and thrifty people. As a rule, the smaller proprietors are more so than the larger ones. But all, and in particular those of Hindoo lineage, who form the great majority, are remarkable for these qualities. They are, doubtless, ignorant and unequal to contend with the money dealers, and, therefore, too often suffer at the hands of these people. But by limiting the demand of the State, and by making that demand fixed and certain, we give the agriculturist opportunity and inducement to accumulate, and render himself independent of the village banker. In my mind, the landed proprietors of Upper India, great or small, are very much less in debt than formerly. In the Punjab, of late years, it was notorious that thousands of the petty yeomen and peasant proprietors had rendered themselves independent of their village bankers. The poorer the agriculturists the more likely are they, it must be obvious, to require advances, and thus to fall into the power of the money-lender.

(Sd.) JOHN LAWRENCE.

The 5th July 1862.

APPENDIX F.

Extracts from Despatch from the Secretary of State for India to the Government of India, No. 14 dated the 9th July. 1862.

* * * * *

42. The land revenue of India, as of all Eastern countries, is less to be regarded as a tax on the landowners than as the result of a kind of joint ownership in the soil of its produce under which the latter is divided, in unequal and generally undefined proportions, between the ostensible proprietors and the State. It is not only just, but necessary, for the security of the landowner that the respective shares in the produce should, at any given period, or for specified terms, be strictly limited and defined. The increase of population, the improvement of communications, and the accumulation of wealth have a tendency to increase the extent of cultivation and the value of the net produce or rent, and the Government may rightly claim to participate in those advantages which accrue from the general progress of society. This has hitherto been effected by means of periodical adjustments of the share, or at least of its value in money, which belongs to the State.

43. By many persons great advantages have been anticipated from what is usually called a permanent settlement ; that is, by the State fixing once and for ever, the demand on the produce of the land, and foregoing all prospect of any future increase from that source. It has been urged that not only would a general feeling of contentment be diffused among the landholders, but that they would thereby become attached, by the strongest ties of personal interest, to the government by which that permanency is guaranteed. It is further alleged that by this means only can sufficient inducement be afforded to the proprietors to lay out capital on the land, and to introduce improvements by which the wealth and prosperity of the country would be increased.

44. In this country these views have been put forward mainly in reference to the settlement of Europeans in India, but they are clearly applicable to the occupiers of land generally throughout India. They have been entertained by many of our ablest officers, and they have recently been advocated by the late lamented Colonel Baird Smith, in relation to their probable effect on the agricultural population of the North-Western Provinces. In his report on the remedial measures required in those districts which had suffered most severely in the late famine, he strongly recommends that a permanent settlement should be accorded wherever the land revenue now assessed may reasonably be assumed to have reached its probable limit. That recommendation was based both on social and financial grounds, and was founded on his conviction of the great benefits which accrued to the country from the demand of the government having been declared unalterable for a period of thirty years. He desired to confirm and accelerate the improvement which he had witnessed by strengthening the motives which, in his opinion, had produced it. It was his belief that this object could be most effectually attained by the concession of a demand fixed in perpetuity, instead of only for a limited term.

45. On the other hand, it has been urged that the consequence of a permanent settlement of the land revenue is to preclude the government from ever obtaining any future augmentation of income from this source ; and, considering that the experience of all countries advancing in civilization demonstrates that the cost of administration is constantly tending to increase, it follows that the additional charge which will fall on the Government must of necessity be met by taxation in some shape, such as customs, excise, salt, stamp, or income duties. Colonel Baird Smith, in the able paper already referred to, admits that this result will take place, but he argues (paragraph 64) that any sacrifice of public revenue involved in the concession of a demand fixed in perpetuity would be more than compensated by the increased ability of the people generally to bear taxation, direct or indirect, which would necessarily follow on the improvement in their social condition. An " intelligent and powerful Government," he says,

"could not fail to participate in these advantages. Its intelligence would direct it to the least offensive and most effective means of sharing in the general prosperity, and its power would ensure the fair trial and ultimate success of those means."

46. It is a serious and difficult question to determine by which course the interests of India will be best promoted. Before deciding on any step by which the prospect of any future increase of land revenue is given up, it must be very carefully considered how far, on the whole, it is likely that the possible sacrifice of increased revenue from this source will be made up by the greater ability of the people to contribute in other ways to the public income, and whether it will be for the general interest to purchase at this price the social and political advantages which have been adverted to.

47. Her Majesty's Government entertain no doubt of the political advantages which would attend a permanent settlement. The security and, it may almost be said, the absolute creation, of property in the soil which will flow from limitation in perpetuity of the demands of the State on the owners of land, cannot fail to stimulate or confirm their sentiments of attachment and loyalty to the government by whom so great a boon has been conceded, and on whose existence its permanency will depend.

48. It is also most desirable that facilities should be given for the gradual growth of a middle class connected with the land, without dispossessing the peasant proprietors and occupiers. It is believed that among the latter may be found many men of great intelligence, public spirit, and social influence, although individually in comparative poverty. To give to the intelligent, the thrifty, and the enterprising the means of improving their condition, by opening to them the opportunity of exercising these qualities, can be best accomplished by limiting the public demand on their lands. When such men acquire property and find themselves in a thriving condition, they are certain to be well affected towards the government under which they live. It is on the contentment of the agricultural classes, who form the great bulk of the population, that the security of the govern-

ment mainly depends. If they are prosperous, any casual outbreak on the part of other classes or bodies of men is much less likely to become an element of danger, and the military force, and its consequent expense, may be regulated accordingly.

49. The strongest opponents of a permanent settlement would probably admit the political and social advantages of such a measure. Their main argument against it is based on the financial consideration that, by means of temporary settlements, the land revenue might be raised from time to time, according to the expected rise in the value of land, and that, by this means also, the loss might be avoided which in all cases of fixed money payments must ensue if a depreciation of the value of the precious metals should take place.

50. It is indispensable, of course, that, whether with a view to redemption, even to the extent of one-tenth of the revenue, or to a permanent settlement, the preliminary step of a revision of the present assessment must be taken. In the first instance, whichever course may be finally adopted, a full, fair, and equable rent must be imposed on all lands now under temporary settlement; and when that has been accomplished, Her Majesty's Government are of opinion that a permanent settlement may be safely applied. This was the course recommended by one of the ablest and most distinguished men who ever was called on to bear a part in the administration of British India. In his celebrated Minute of the 31st December 1824, Sir Thomas Munro, then Governor of the Presidency of Madras, several times refers to this subject, and particularly in the following passage: "No survey assessment of a great province," he says, "can ever at once be made so correct as not to require future alteration; when, therefore, it has been completed with as much care as possible, a trial should always be made of it for six or seven years. This period will be sufficient to discover all defects in the assessment. A general revision of it should then be made, and wherever it might be found too high it should be lowered, and it may then with safety to the revenue and benefit to the people be made permanent."

51. When once the rent has been properly fixed, any increase consequent on the natural progress of society will in all probability take place but slowly, and reach no great amount until after a considerable interval. It must be remembered that, in all the revisions of settlement which have taken place of late years, the tendency has been towards a reduction in the rates of assessment. Wherever the settlements have been carefully made, and the capabilities of the country have been well ascertained, the probability of any considerable increase of land revenue appears to be but slight.

52. The necessity for the reduction above noticed seems to have been caused mainly by the depreciation in the value of the crops from the increased production consequent on the greater tranquillity of the country under British rule. There are at present symptoms of a rise in the price of agricultural produce, caused probably, to a great extent, by the increased employment of labour in the construction of railways and other public works. But the railways, when completed, while they will contribute largely to the development of the resources of India, may, in some degree, counteract this tendency. The great differences in the price of food in districts at no great distance from each other, so that while one was in a condition bordering on famine, others enjoyed comparative plenty, will cease to exist, at least to the same extent, when ready and cheap means of transport shall have been provided. Produce from the interior will be more readily brought to the centres of consumption or of exportation, and the value of land in the interior will be thereby increased; but, on the other hand, the value of the produce of land near large towns and the coast will be reduced by the competition of the produce of the interior. The probable effect of the railroads would seem to be towards the equalization of the prices of produce in different parts of India, and a general improvement in the wealth of all classes of the country, rather than to give any peculiar advantage to the landholders.

53. That this general improvement will be accelerated by a permanent settlement Her Majesty's Government cannot entertain any doubt. A ready and popular mode of investment for the

increasing wealth of the country will be provided by the creation of property in land, and all classes will benefit by the measure. On the agricultural population the effect will be, as pointed out, by Colonel Baird Smith in the able paper already referred to, the elevation of the social condition of the people, and their consequent ability, not only to meet successfully the pressure occasioned by seasons of distress, but, in ordinary times, to bear increased taxation in other forms without difficulty; the feeling of ownership, or, in other words, the absolute certainty of the full enjoyment of the reward for all the labour and capital which they may invest in the land, will be sure to call out all their energies for its improvement. Her Majesty's Government confidently expect that a people in a state of contentment and progressive improvement will be able without difficulty to contribute to the revenue in other ways to such an extent as more than to compensate for the disadvantage of foregoing some prospective increase of that from land.

54. The example of Tanjore may be cited in confirmation of this view. It has been for many years so moderately assessed, that a feeling of private property in the soil has continued to exist among the people to such an extent that land sells, on an average, for twenty years' purchase. This district is eminently one in which a permanent settlement might properly be established; and that such a measure would lead to no loss of public income may be inferred from the fact that in it the receipts from salt, abkari, and stamps have in ten years risen from Rs. 6,54,500 to Rs. 9,50,500, or nearly 48 per cent.

55. It must also be remembered that all revisions of assessment, although occurring only at intervals of thirty years, nevertheless demand, for a considerable time previous to their expiration, much of the attention of the most experienced civil officers, whose services can be ill spared from their regular administrative duties. Under the best arrangements, the operation cannot fail to be harassing, vexatious, and, perhaps, even oppressive to the people affected by it. The work can only be accomplished by the aid of large establishments of native ministerial officers, who must of necessity, have great opportunities for speculation, extortion, and

abuse of power. Moreover, as the period for resettlement approaches, the agricultural classes, with the view of evading a true estimate of the actual value of their lands, contract their cultivation, cease to grow the most profitable crops, and allow wells and water courses to fall into decay. These practices are certainly more detrimental to themselves than to the government, but there can be no question that they prevail extensively. The remedy for these evils, the needless occupation of the valuable time of the public officers employed in the revision, the extortion of the subordinate officials, and the loss of wealth to the community from the deterioration of cultivation, lies in a permanent settlement of the land revenue.

56. The course of events which has been anticipated is, indeed, only that which has taken place in every civilized country. Experience shows that in their early stages nations derived almost the whole of their public resources in a direct manner from the produce of the soil, but that, as they grew in wealth and civilization, the basis of taxation has been changed, and the revenue has been in a great degree derived indirectly by means of imposts on articles which the increasing means of the people, consequent on a state of security and prosperity, have enabled them to consume in greater abundance. I am aware that it has been stated as an objection to promoting such a course of things in India, that in most European countries, the advantages of this change have been mainly appropriated by the large land-owners; but it must be remembered that in India, and especially in the districts under ryotwari settlement, the great bulk of the agricultural population are the proprietors, subject only to the payment of the assessment of the land which they till; and that, consequently, the benefit of a permanent settlement would be enjoyed, not by a narrow and limited class, but by the majority of the people.

57. The apprehension of a possible fall in the relative value of money, which has been previously noticed, though deserving consideration, does not seem to Her Majesty's Government to be of sufficient moment to influence their judgment to any material extent in disposing of this important question.

58. After the most careful review of all these considerations Her Majesty's Government are of opinion that the advantages which may reasonably be expected to accrue, not only to those immediately connected with the land, but to the community generally, are sufficiently great to justify them incurring the risk of some prospective loss of land revenue in order to attain them, and that a settlement in perpetuity in all districts in which the conditions absolutely required as preliminary to such a measure are, or may hereafter be, fulfilled, is a measure dictated by sound policy, and calculated to accelerate the development of the resources of India, and to ensure, in the highest degree, the welfare and contentment of all classes of Her Majesty's subjects in that country.

59. They consider that the direct mode of making a permanent settlement is preferable to the indirect one of obtaining a similar result by conceding to the landholders the right to redeem their assessment. They do not believe that the power to redeem the land revenue is necessary to induce the landholders to incur expenditure in the improvement of their property. What is really required, in order to call into effective action their enterprise and capital, is not an exemption from all payments to the Government on account of their estates, but the fixing those payments in perpetuity, at a moderate and certain amount. In Bengal, where a permanent settlement was made with the zemindars seventy years ago, the general progress of the country in wealth and prosperity, notwithstanding the depressed condition of the peasantry, caused by errors and omissions in the mode of making the settlement, has been most remarkable. Such errors in the existing state of our knowledge regarding the rights and interests of the subordinate occupants of the soil would not be permitted to recur.

60. It must be remembered that, with a view to attaining the objects aimed at, of improving the condition of the people and enabling them to contribute in other ways to the public revenue, it is essential that the measure should be generally brought into operation. The improved condition of a limited number and of an exceptional class would add little to the con-

tentment of the population, or to the resources of the public treasury. No measure can be really effective for such purposes unless it can be brought to bear on the general mass of the population.

61. Although, therefore, the acquisition of a permanent tenure free from rent might be more acceptable to the European capitalist, it is certain that, to the native agricultural population of India, who do not possess capital, permanency of tenure and fixity of rent will afford all that they require, or from which they could derive any benefit. To hold out to them as a boon the offer of redemption, of which hardly any one could avail himself, would be merely illusory, nor would the object be attained which is prescribed in Lord Stanley's Despatch, that in any recommendation which might be submitted, the proposed benefits should be participated in by the agricultural community generally. By the Madras freehold rules it was at first directed that the sales should be made without any reservation of rent, but the planters complained that the capital required for clearing the forest would be exhausted in paying the purchase-money. The capital which would be absorbed in purchasing the fee simple and redeeming the land tax would be more profitably expended in improving the land.

62. In either case, whether the land revenue were redeemed, or its amount fixed in perpetuity, the benefit of all improvements would equally go into the pocket of the landholder, nor could he have any difficulty in paying the moderate rent which is now universally fixed on revising the assessments.

63. Her Majesty's Government have, therefore, determined to limit the power of redeeming the land revenue to such cases as are referred to above in paragraph 26 ; but they have resolved to sanction a permanent settlement of the land revenue throughout India. It will, however, still remain to be determined how far any particular district is in a condition to warrant the practical application of the measure at the present time.

64. There are doubtless parts of the North-Western Provinces, and probably of the Punjab where so large a proportion

of the soil was already under cultivation when the existing settlements were made, that, assuming the rates of assessment to have been fairly adjusted to the capabilities of the land, little or no increase can be expected in the revenue, on the revision which will take place on the expiration of those settlements. Such districts, provided that the assessment is not only adequate in amount, but also equally distributed, may be considered to be in a condition in which the introduction of a permanent settlement might properly be permitted.

65. In other parts of these provinces, a large proportion of the land is still uncultivated, and does not consequently yield to the public treasury a return commensurate with its prospective capabilities ; while in recently acquired territories, such as Ondh and Nagpur, which are still unsurveyed, no means exist for determining either the adequacy of the amount, or the equality of the pressure, of the present assessment.

66. In the ryotwari districts of Madras and Bombay, the difficulties in the way of a permanent settlement appear to Her Majesty's Government to be the greatest.

67. In the former presidency the revision of the assessment, for the purpose of bringing it into accordance with the present circumstances of the people and the country, has only recently been commenced. The existing settlement records, which determine the supposed extent of each holding, and, by consequence, the actual rate of assessment, are in many cases untrustworthy. It is true that by the increase of cultivation, which has ensued on the reduction of the assessment on the higher classes of land, a greater aggregate revenue has been obtained ; and although some increase may be found practicable in the rates on the lower classes, it is probable that the general result will be a reduction in the average rates. At all events, there is ample evidence that the actual incidence of the assessment, as regards particular fields, or estates, requires careful readjustment. It was with the view of equalizing the pressure of the assessment, and with no desire or expectation of increasing its amount, that the arrangements now in progress, estimated to cost at least three-quarters

of a million sterling, were sanctioned by the Home authorities.

68. In Bombay the revised assessment, though still in progress has been, throughout a large portion of the presidency, for many years in operation. It is well understood that the existing rates were adapted rather to the depressed circumstances of the agricultural population at the time when they were imposed, than to the prospective capabilities of the soil. The measure has been in all respects successful, and it is believed that the condition of the people has advanced so rapidly that, on its revision, a very considerable increase may be effected in the rates, without any undue pressure on the resources of the people.

69. Her Majesty's Government consider, therefore, that although for different reasons those two presidencies are not at present generally in a condition which would warrant them in authorizing a permanent settlement of the land revenue on the assessed lands at the existing rates. In both presidencies, however, as districts are gradually brought under the revised assessment, and when there is reason to believe that the land revenue has not only reached its probable limit, but that it is equitably distributed over the lands affected by it, this restriction will no longer be needed.

70. It is obvious that the process of introducing a permanent settlement must be very gradual, and this circumstance is not without its advantages. It would be impossible at one time to provide establishments large enough for a general revision of the assessment throughout the whole of India, and the effect of the measure may be watched in its progress. If any unforeseen difficulties occur, there will be time to take measures for obviating them. If the anticipations of a rise in the value of land, or of a depreciation in that of the precious metals, should be realized, any loss from these sources could be avoided in subsequent settlements, and the principal objections to the measure would be in great measure disposed of.

71. It is to be hoped that the greater interest which the influential classes would require in the preservation of peace and

order might enable the Government to reduce its military establishments, at any rate to such an extent as to provide for the increased charge of civil administration which improvements in civilization always render necessary.

72. I have therefore to announce to Your Excellency in Council as the result of the foregoing considerations, that as regards all districts or parts of districts in which no considerable increase is to be expected in the land revenue, and where its equitable apportionment has already been, or may hereafter be, ascertained to your satisfaction, Her Majesty's Government will be ready to sanction, on your recommendation, or that of the Local Government supported by you, the settlement in perpetuity of the assessment at the present or the revised rates.

73. I have accordingly to request that you will place yourselves in communication with the several Local Governments, in order to ascertain from them the extent to which, in their judgment, it may be expedient to apply this important measure to the territories under their immediate administration. In the North-western Provinces, where the revision of the thirty years' settlement has already commenced, it is possible that several districts are now in a condition to justify immediate action. In the Presidency of Madras, the result of the survey and settlement operations which have been recently commenced will show how far the districts have yet attained the condition contemplated by Sir Thomas Munro, in the extract already quoted, as warranting the establishment of a settlement in perpetuity; while, in the revised portions of the Bombay Presidency, it will probably be deemed prudent to await the expiration of the thirty years' lease, which will begin to expire in three or four years, before taking any steps for giving permanency to existing arrangements.

74. I must remind you that, wherever a permanent settlement is made directly with individuals or communities for estates, in which other persons possess subordinate rights and interests, those rights and interests should be guarded with the greatest care, so as to avoid the errors which are now acknowledged to have been committed in respect to the permanent settlement of Bengal.

75. With regard to the investment of the amount which may be received by the Government from sale of waste lands, or in commutation of land revenue, I observe that it is declared, in paragraph 56 of the Resolution, that "with a view to secure the Government and the public creditor against any loss of existing sources of Government income, provision will be made by law that sums paid in purchase of waste lands or in redemption of land revenue, or in otherwise forestalling the land revenue, shall be paid to Commissioners, and periodically invested in such manner as the law may direct;" and that the reports of the Commissioners shall be regularly published. In reference to this arrangement, I have to desire that all moneys received on these accounts should be invested, not periodically but as soon as practicable, and, as a rule, in the 4 per cent. loan. The price of redemption should be variable according to the actual value at the time of that stock, so that the amount paid, when so invested, may produce a dividend equivalent to the annual revenue which will thereon cease to be received.

76. Your Excellency in Council will understand that the instructions contained in this Despatch supersede at once the provisions of the Resolution of the 17th October 1861, so far as they are inconsistent with them, and that fresh regulations must be prepared and submitted for the approval of Her Majesty's Government. It is not however, intended that these orders should have retrospective effect, and if any arrangements, in regard either to the purchase of waste lands or the redemption of land revenue, have been actually completed under the provisions of the Resolution, they must, so far as is compatible with the law, be scrupulously carried into effect. You will, however, furnish me with a special report showing the extent to which any such arrangements may have been made.

77. Copies of this Despatch will be forwarded for the information and guidance of the Governments of Madras and Bombay.

The Indian Citizen Series

EDITED BY

PROF. PANCHANANDAS MUKHERJI, M.A., F.R.E.S., (LOND.)

Assistant to the Minto Professor of Economics,
CALCUTTA UNIVERSITY.

Our object is to issue a series of handy volumes containing useful and up-to-date information gathered from the most authoritative sources on Indian economics and administration. The series is meant for our educated countrymen—especially for our young men at the universities who, for want of easy access to materials for study which are either rare or are scattered through the numerous blue-books, reports and resolutions, have not the opportunity to study the diverse topics of interest.

I. The Co-operative Credit Movement in India—by Prof. P. Mukherji, M.A., F.R.E.S. (Lond.) Re. 1-4. Highly spoken of by the Registrars of Co-operative Societies throughout India and by other responsible officials. An indispensable book for District and Sub-divisional Officers, for Secretaries of Central Banks and for all interested in the Co-operative Movement. Selected as a text book by the Calcutta University for the B.A., Examination in Economics.

1. Hon'ble Mr. J. C. Kerr, C.I.E., I.C.S.—“Your book on Co-operative Credit seems to me *sound on the theoretical side, and interesting on the practical side*, and I hope it will be studied by the many people who are now interested in Co-operation.

2. Hon'ble Sir Robert Carlyle, K.C.S.I., I.C.S.—“I am very much obliged to you for sending me a copy of your book which I have read with much interest.”

3. Rai J. M. Mitra Bahadur, M. A. Registrar, C. S., Bengal.—“I think your book is *an extremely useful publication* and will greatly assist any one who studies it in obtaining a correct knowledge of the principles upon which we are working.”

.

4. W. R. Willoughby Esq., I.C.S., U. P. & Oudh,—" I consider your book to be *quite the best compendium that has yet been published in India* and I have read it with great interest."

5. R. B. Ewbank, Esq., I.C.S., Registrar, C.S., Bombay.—" I have found your book *comprehensive and instructive.*"

6. F. Noyace, Esq., I.C.S., U. S. to the Govt. of India, Rev. and Agric. Dept.—" It is a *very useful* little book which ought to be *very helpful* to all interested in Co-operation in India."

7. Hon'ble Sir Edward Maclagan, K.C.I.E., C.S.I.—" I feel sure that the book will be *of considerable use to me.*"

8. Prof. J. C. Coyajee, M.A., (Cantab).—Writes in the *Presidency College Magazine*.—" Prof. Mukhopadhyay is to be congratulated on the *very useful introduction* to the study of the Co-operative movement composed by him.

The treatment is *lucid* and the statistics *up-to-date.*"

9. The author deserves well of the public for his *eminently readable and instructive exposition*. It is the *most compact compendium* of the Co-operative Movement, both for purposes of study and reference, * * Altogether a *very useful short study of a great subject.*"—The Hindusthan Review.

10. " The volume before us is a *model of lucid exposition.*"—Bengalee.

11. " Prof. Mukherjee is to be congratulated on having been able to hit upon a series which, judging from the publication before us, promises to be a *highly useful source of knowledge and reference*, and as such well deserves the patronage both of the Government and of the people."—A. B. Patrika.

12. " * * worthy of patronage by all zemindars, district officers, practical co-operators and students of economics."—Hindu Patriot.

II. The Permanent Settlement in Bengal—

By Prof. S. C. Ray M.A., Calcutta University. Re. 1 This is a critical examination of the economic, social, political and financial aspects of the Permanent Settlement question from the *Indian Citizen's* point of view. In the appendices are to be found valuable and rare state documents bearing on the question from 1792 to

1862. All zemindars, students of economics and publicists should carefully read this book.

III. Indian Constitutional Documents (1773 1915).—Compiled by Prof. P. Mukherji, M.A., F.R.E.S., (Lond.)—*In the press.* A unique book of reference for Indian Legislative Councillors, publicists and students of Indian Constitutional History.

IV. An Introductory Study of the Indian Constitution—by Prof. P. Mukherji, M.A., F.R.E.S., (Lond.) A new book written on an entirely novel plan and full of original information. Invaluable to publicists and students of history and economics. (*In preparation*).

Published by Rai M. C. Sarkar Bahadur & Sons.

To be also had of Sivadas Mukherji.

36-38 Amherst Street, Calcutta.

Subscribers' names are being registered.



333.540954/RAY



5899

